



HYDAC ACCESSORIES GMBH
HYDAC FILTERTECHNIK GMBH
HYDAC FLUIDTECHNIK GMBH
HYDAC TECHNOLOGY GMBH
HYDAC PROCESS TECHNOLOGY GMBH
HYDROSAAR GMBH

HYDAC ELECTRONIC GMBH
HYDAC INTERNATIONAL GMBH
HYDAC SERVICE GMBH
HYDAC SYSTEM GMBH
HYDAC PTK PRODUKTIONSTECHNIK GMBH
HYDAC COOLING 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:

Documents pertaining to an offer 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 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. If the customer falls into arrears with payments in whole or in part - in the event of agreed payments by installment with a whole installment - we can without prejudice to our rights under VI. 3. withdraw from the contract after a reasonable period of grace has passed without result and demand compensation instead of performance.
3. We charge interest on arrears at 8% above base interest rate. We reserve the right to claim higher damages for default.
4. 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:

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. The same applies in the case of delays in the delivery of raw and building materials provided these delays can be demonstrated to have a considerable influence on completion of the delivery item and are not of our making.
3. 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 AND ACCEPTANCE OF RISK:

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.

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 as defined by the German Commercial Code we reserve ownership of all merchandise supplied by us until receipt of all payments arising from the business relation with the customer. 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 rights of ownership or co-ownership of the new item to us and has keep the item in safe custody for us. 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.

2. If the value of the securities due to us exceeds the accounts receivable to be secured by more than 20%, we are obliged to release the securities due to us at the request of the customer; we shall be free to select the securities to be released.
3. 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.
4. Merchandise subject to reservation of ownership may be pledged, assigned as security, leased or passed to third parties only with our written consent.
5. 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.
6. We are entitled for the duration of the reservation of ownership to insure the reserved goods against fire, water and other damage, if the customer cannot himself provide proof of adequate insurance.
7. The customer is obliged to keep the reserved goods in proper condition during the period of reservation of ownership and to have any necessary maintenance work and repairs done immediately.

VII. WARRANTY/LIABILITY FOR MATERIAL DEFECTS

We are liable as follows for defects of the delivery item, to the exclusion of further claims notwithstanding number 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.
2. 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 urgent operational needs or imminent danger.
3. In the event of supplying a replacement our liability is limited to the costs of the replacement item and the shipping costs. These are only paid where they occur in the Federal Republic of Germany. Reworking costs incurred abroad are paid by us only to the extent they would also have occurred in the case of a reworking location in Germany.
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. No claims for alleged faults shall be accepted in the event of unsuitable or improper use of the goods delivered, incorrect assembly or operation by the customer or third parties, normal wear and tear, damage as a result of erroneous or negligent treatment, improper maintenance, the use of incorrect operating materials, improper storage or any other circumstances for which the customer or third parties are responsible.

VIII. EXPIRY OF CLAIMS

All claims on the part of the customer will expire one year after the date on which risk is transferred. The statutory periods shall apply for willful 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 willful 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.

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