

§ 1 Basis of Contract

1. All orders placed with the contractor are based in the following order on: The offer, these general terms and conditions of business, the confirmation of the order.
2. For our product details we accept no responsibility going beyond the respective individual contract. Technical alterations in the course of product design reserved. Our product descriptions and product details only describe the nature of our products and performances and do not represent a guarantee according to § 443 BGB (German Civil Code). Regardless of this, the customer is obliged to test himself whether our products and performances are suitable for the intended use.
3. All deviations from these terms and conditions of business are subject to a written agreement.

§ 2 Contents of Contract

For all deliveries, performances, and offers of the contractor the following conditions shall be exclusively authoritative. The customer's terms and conditions of contract shall become part of the contract only if acknowledged by the contractor in writing. The acceptance of the contractor's performance shall be regarded as an acceptance of these general terms and conditions of business.

§ 3 Offer, Offer Documents

1. All offers of the contractor are subject to confirmation and non-binding unless they are explicitly marked as binding or contain a specific deadline for acceptance. Any orders or contracts may be accepted by the contractor within fourteen days after receipt.
2. The offers are elaborated according to the information of the customer and the documents provided by him. The contractor shall not be liable for the correctness of these documents.
3. Unless otherwise agreed, planning, drafts, drawings, production and installation documents shall remain the property of the contractor with all rights, even if these documents have been handed over to the customer. Any transfer of property rights and rights of use shall be required in writing. Modifications to planning, drafts etc. may only be carried out by the contractor, even if these documents have passed into the ownership of the customer, unless the exclusive rights of use for them were transferred in writing. These documents may not be duplicated or made accessible to third parties without the contractor's consent. Should the order not be placed, they are to be returned to the contractor. The contractor is always entitled to sign his documents and to use them for advertising. In case the customer duplicates the above-mentioned documents or makes them accessible to third parties without the contractor's consent, the contractor shall be entitled to demand lump sum compensation of 40 % of the order total. For executions of orders according to the customer's information or documents, the customer guarantees that the items produced and supplied in accordance with his information or documents do not infringe any third-party property rights. Regarding this, the contractor is not obliged to any verification whatsoever. The customer is obliged to exempt the contractor from all possible claims for compensation by third parties and to pay for all damages resulting from infringement of industrial property rights and to make advance payments if requested.

§ 4 Conclusion of Contract

The contract shall be concluded upon the contractor's written confirmation of the order. Orders placed will also be deemed accepted if not refused within one week on receipt.

§ 5 Prices

1. The offer prices shall only be valid in case of undivided acceptance of the offer.
2. The prices apply to the scope of delivery and performance stated in the order confirmation.
3. All prices are strictly net in Euro ex dispatch warehouse, exclusive of packaging, freight, postage, insurance, etc. The latter costs will be charged separately. Surcharges for transportation and connection abroad (customs duties etc.) as well as any fees or public charges will be charged separately to the customer.
4. If the beginning, progress, or completion of the work is delayed for reasons beyond the contractor's responsibility, he shall be entitled to charge separately for any additional expenditures arising from this. Authoritative in such cases are the charge rates for man-hours and other prices of the contractor valid on the day of the performance.
5. The customer shall be charged additionally for performances that are not estimated in the offer and that are realized on request of the customer, as well as for any services and procurements carried out for the customer at his request as part of the planning and completion of the installation, or else for any additional expenditures that result from incorrect information of the customer or his vicarious agents, from transport delays without fault, inadequate composition of the ground, preliminary work provided by third parties in an unprofessional manner or not on schedule, unless they are the vicarious agents of the contractor.
6. The professional fee for planning, drafts, and drawings is subject to confirmation when the order was placed. If no order should be placed, the professional fee for this will be charged at a flat-rate of ten percent of the order value.

§ 6 Conditions of Payment

1. Unless otherwise agreed, with the conclusion of contract a partial amount of 50 % of the order total shall be due for payment. The remaining sum shall be due for payment immediately on receipt of the final account. Deductions of any kind shall be excluded. Down payments shall not bear interest.
2. In case of delay in payment after reminder, the contractor, without prejudice to further claims, shall be entitled to claim damages for delay at the rate of the usual minimum interest rate on debit balances and commissions that is charged by

major banks (but at least 3 % above the respective discount rate of the German Federal Bank). After fixing a time limit with the threat of refusal, the contractor shall be further entitled to withdraw from the contract or to demand damages for non-performance.

3. Any set-off with contested counterclaims is excluded for the customer.

§ 7 Time of Delivery and Installation

1. Deliveries shall be made ex works.
2. Deadlines and dates for deliveries and performances specified by the contractor are always only approximate unless a fixed term or deadline is expressly promised or agreed. If dispatch has been agreed, delivery dates and deadlines refer to the time of transfer to the forwarding agent, hauler, or to any other third party commissioned with the transport.
3. Any deadlines for the beginning of the execution or completion or consignment explicitly must be agreed in writing. Approximate details do not constitute an agreement. Meeting the deadline presupposes the receipt of all documents, necessary permissions and releases to be provided by the customer, the timely clarification and approval of the plans as far as this is necessary, as well as the compliance with the agreed terms of payment and other obligations.
4. The contractor can – without prejudice to his rights resulting from delay of the customer – demand from the customer to extend the terms of delivery and performance or to postpone the delivery and performance dates by the period of time for which the customer fails to meet his contractual obligations towards the contractor.
5. The deadline shall be deemed to have been met:
 - a) In case of delivery without installation or assembly, if the goods ready for operation have been dispatched or collected within the agreed term of delivery and performance. If the delivery is delayed for reasons for which the customer is responsible, the deadline shall be considered as met when readiness for dispatch is notified within the agreed period.
 - b) In case of delivery with installation or assembly, as soon as this is effected within the agreed period.
6. Partial deliveries are also permissible.
7. In case of a blanket order, we demand that the whole agreed quantity be delivered and accepted by the customer within the agreed delivery schedule.
8. With changes or rearrangements of the performances alleged by the customer after the conclusion of contract, also firmly agreed delivery dates shall no longer be binding.
9. The contractor shall be entitled to award the contract or parts of the contract to third parties. Subcontractors are no vicarious agents of LiquoSystems. LiquoSystems shall not be liable for their behavior with regard to the timeliness of the delivery.
10. Should any business interruptions beyond the contractor's control occur (lockouts, strikes, cases of force majeure) that are based on an unforeseeable event caused through no fault of his own which make the fulfillment of the contract impossible, both parties shall be entitled to withdraw from the contract. In that case claims for damages are excluded.
11. If the contractor is in delay with a delivery or performance, or if a delivery or performance becomes impossible for him for whatever reason, the contractor's liability for compensation shall be limited in accordance with § 13. of these general terms and conditions of business. All further claims for damages of the customer in all cases of delayed delivery are excluded even after the expiry of any period of grace granted to the supplier. This shall not apply in cases where liability is mandatory on account of intent or gross negligence.
12. Where any kind of installation and assembly is concerned, the customer on request of the contractor shall provide at his expense supporting personnel such as laborers and, if necessary, also craftsmen, the implements necessary for installation and putting into operation, operating current and process water, as well as premises for storing machine parts, equipment, materials, and tools etc. Likewise, the customer must provide the necessary information concerning concealed electric power, gas and water lines, or similar installations, and ensure that the delivery parts required for starting the work are on site and all preliminary work is completed. If the installation, assembly, or putting into operation is delayed owing to circumstances particularly at the construction site without the fault of the supplier, the customer shall bear the reasonable costs for waiting time and any additional travelling expenditure of the installation or assembly personnel.

§ 8 Retention of Title

1. Should the parties have agreed on the purchase of the contractor's deliveries and performances, all delivery items shall remain the property of the contractor until all obligations of this contractual relationship have been fulfilled in their entirety.
2. The customer is entitled to resell the goods subject to retention of title only in the proper course of business. However, he is not permitted to pledging or transfer of title as security. The customer shall already now assign his claims out of the resale of the goods subject to retention of title to the contractor. The contractor shall accept this assignment. On request, the customer shall disclose to the contractor all details required for collection of the assigned claim and inform the debtors of the assignment.
3. If the goods subject to retention of title are processed, combined, mingled, or mixed with other goods and items not belonging to the contractor, the contractor shall be entitled to a co-ownership share of the new product in proportion to the value of the goods subject to retention of title to the other processed goods at the time of processing etc. If the customer acquires the sole ownership of the

product, he shall grant the contractor the proportional co-ownership share and keep the new product safe for the contractor free of charge.

4. The customer must immediately inform the contractor in writing of any compulsory enforcement measures of third parties against the goods subject to retention of title or the claims assigned in advance, and provide him with the documents necessary for an intervention. If the customer encounters financial collapse or pecuniary difficulties, the customer shall no longer be entitled to sell the goods subject to retention of title.

§ 9 Freight and Packaging

1. Unless otherwise agreed, the contractor's products always travel at the risk and cost of the customer. Any packaging required and considered necessary by the contractor will be charged separately.

2. Items provided by the customer which are to be used for production or assembly must be delivered free of charge to the works or installation site on the agreed date. Any return delivery of such items will be effected freight collect ex works or location of use at the risk of the customer.

§ 10 Passing of Risk

1. If nothing to the contrary has been agreed upon, any risk shall pass to the customer when the goods leave the contractor's premises or when they are made available to the customer.

2. If the goods ready for dispatch cannot be delivered for reasons for which the customer is responsible, the risk shall pass to the customer on the day on which the goods are ready for dispatch. The contractor's performance shall be considered as fulfilled after the notification that the goods are ready for dispatch has been delivered to the customer.

3. Any loss during transport or loss of materials delivered to the installation site for which the contractor is not responsible shall be at the customer's expense.

4. Storage costs after the passing of risk shall be borne by the customer. In case of storage by the contractor, the storage costs amount to 0,25 % of the invoice amount of the delivery items to be stored per week. The enforcement and proof of additional or lower storage costs remains reserved.

§ 11 Acceptance/Handover

1. With regard to the acceptance and handover, the rules of § 12 VOB/B shall apply subject to the proviso that the acceptance must take place formally and immediately after completion. The customer undertakes to attend the acceptance date himself or to have himself represented by a duly authorized representative.

2. If the customer starts using the service or part of the service without previous formal acceptance, the acceptance will be considered to have taken place by way of this act of use.

3. Insofar as an acceptance has to take place, the purchased item shall be deemed accepted if twelve working days have elapsed since the delivery or installation or if the customer has started using the purchased item (i.e. put the delivered equipment into operation) and in this case there have elapsed six working days since the delivery or installation.

4. Any minor partial performances still to be rendered or removal of minor defects shall not entitle to refuse acceptance as far as they do not considerably impair the function of the subject matter of the contract. Retentions of payment shall be permitted only on a pro rata basis.

§ 12 Insurance

During transports organized or performed by the contractor, the dispatched goods shall be insured for replacement value at the request and cost of the customer, insofar as nothing to the contrary has been agreed upon.

§ 13 Liability

1. In the event of material defects or defects in title and breach of other obligations resulting from the contractual relationship, the contractor shall be liable for work performances according to the provisions of the VOB/B (with the exception of § 13 No. 5 section 1 sentence 2 VOB/B). In addition, the provisions of the BGB (German Civil Code) shall apply. In case of pure delivery performances liability shall be based on the BGB without the validity of the VOB/B. Priority provisions according to § 1 of these terms and conditions must be observed, insofar as legally effective agreed.

2. A liability for faulty deliveries or services of third parties shall only be undertaken insofar as it is possible to prove that the contractor failed to exercise due care in selecting his third parties. The customer may demand the assignment of the contractor's claims against the third party, if necessary.

3. The contractor shall not be liable for the customer's goods, unless the safekeeping has been confirmed in writing.

4. In case of special contracts concerning giving advice or information, the contractor shall only be liable up to the amount of the counter-performance to be paid by the customer.

5. In case merely the planning and drafts are subject of the contract, no liability of the contractor whatever shall be created. The contractor shall only ensure being able himself to realize the draft or planning.

6. No liability will be accepted for advice, information, or any other services free of charge.

7. The contractor shall not be liable in cases of ordinary negligence of his organs, legal representatives, employees, or other vicarious agents, as far as this does not concern an infringement of essential contractual obligations. Essential contractual obligations include the obligation to provide timely delivery and installation of the delivery item that is free of significant defects, as well as duties of consultation, protection, and care designed to enable the customer to use the delivery item in accordance with the contract or intended to protect life and limb of the customer's employees or to protect the customer's property from considerable damage.

8. Insofar as the contractor is liable for damages on the merits of and in accordance with § 13.7, this liability is limited to damages which the contractor foresaw when concluding the contract as a possible consequence of a breach of contract or which he should have foreseen by applying due care and attention. Indirect damages and consequential damages resulting from defects in the delivery item are only subject to compensation insofar as such damages are typically to be expected when using the delivery item as intended.

9. In case of liability for ordinary negligence, the contractor's obligation to pay compensation for property damages and further property losses resulting from that shall be limited to EUR 5,000 for each case of damage, even if this is a case of infringement of essential contractual obligations. The imperative provisions of the Product Liability Act remain unaffected.

10. Claims for compensation concerning damages of any kind, including such damages not caused to the delivery item itself, e.g. caused by delay, impossibility of performance, positive breach of an obligation, negligence in contracting and also tort are excluded as far as the damage was not caused by intent or gross negligence, and as far as by excluding the claims for compensation the performance of the contract is not thwarted or jeopardized. The limitation of liability shall apply to the same extent to the contractor's performing and vicarious agents. Excluded are claims for damages according to the Product Liability Act.

§ 14 Warranty

1. Defects and complaints on account of incomplete or incorrect delivery or performance shall be notified to the contractor immediately, but no later than 7 days after receipt, delivery, or acceptance, directly and in writing. Should, despite careful inspection, a defect become apparent only later, it shall be notified immediately, but no later than 7 days after gaining such knowledge. Liability for defects shall be limited to a period not exceeding 12 months since delivery or successful performance. The notice of defects shall not interrupt the warranty period.

2. As a warranty the customer can demand basically only remediation of a defect. The type and manner of the proper remedial work shall be at the contractor's discretion. The contractor shall be entitled to compensation delivery any time. Rescission or reduction may be claimed only if at least two attempts to remedy the same defect have failed.

3. The contractor may refuse to remedy defects as long as the customer has not properly met his contractual obligations.

4. The warranty does not cover such damages which arise at the customer's due to natural wear and tear, humidity, strong heating, or improper handling or storage. If our contracting party or a third party improperly repairs a defect himself, all warranty claims shall become invalid thereby. The same applies to possible alterations of the delivery item without our prior consent. In any case the customer shall bear the additional costs of the remedy of defects resulting from the alteration.

5. Reasonable deviations in shape, dimensions, color, and material properties are as stipulated in the contract and shall not entitle to a notice of defects.

6. If the notice of defect is delayed or reservations due to known defects were not made during the acceptance, the warranty claims shall lapse entirely. The same shall apply if the customer makes any alterations or makes it difficult for the contractor to identify the defects.

7. The remediation of a defect or compensation delivery does not hinder or interrupt the warranty period.

8. Claims for damages, especially those arising from a breach of the obligation to remedy a defect, shall be excluded, unless they are based on gross negligence or intent. In case of gross negligence compensation for damages is limited to the damage predictable at the time of the conclusion of contract.

§ 15 Place of Performance and Place of Jurisdiction

The place of performance and place of jurisdiction for all disputes between the parties arising from this contractual relationship is Kirchheim on the Neckar. The contractual relationship is subject to German law.

§ 16 Final Provision

1. All legal relations between the contracting party and us shall be governed exclusively by German law excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

Last alteration: 01.03.2013