



General Terms and Conditions
of Morali Produktionstechnik GmbH
Stadtweg 30
78658 Zimmern o.R.

§1 The Scope of Application of General terms and Conditions

1. Every delivery, performance and offers from Morali GmbH occur solely based on these general terms of conditions. They are the component of all contacts, which Morali GmbH with its business partners (hereinafter called contracting partner) with their offered delivery concludes. They are effective for all deliveries, performances and offers of the contracting partner in future, even if they are not separately arranged.
2. Terms and conditions from the client or third-party will not find any application, even if Morali GmbH does not contradict the worth in every individual case. Even if Morali GmbH refers to a letter that includes or relegates general terms of the contracting partner or third-party, this does not lead to an agreement with the validity of those terms and conditions.

§2 Offers and Agreement of Contract

1. All offers of Morali GmbH are subject to change and non-binding unless they are not explicit marked as binding or contain a definite term of acceptance. Orders or contracts can be accepted by Morali GmbH within 14 days from receipt.
2. Exclusively applicable for the privity of contract between Morali GmbH and the customer is the contract in writing including these general terms and conditions. This fully reflects all agreements between the contracting parties on the object of contract. Verbal confirmations from Morali GmbH before conclusion of the contract are legally non-binding and verbal understandings between the parties to the contract have to be complemented with a written contract, unless it is expressly stated therein that they will continue to be binding in each case.
3. Amendments and modifications to the agreements made, including the general terms and conditions, must be in writing in order to be valid. For adherence to the written form it is enough to convey your message per telefax, other telecommunication transmissions, particularly E-Mail do not fulfil the requirements
4. Information from Morali GmbH on the object of the supply or service (e.g. weight, dimensions, practical value, capacity, tolerances and technical data) as well as their description (e.g. drawings and illustrations) are only relevant approximately, as far as the usability of the contractually stipulated purpose does not require an exact match. Such specifications shall not be construed as warranties of quality, but rather as a description or identification of delivery or performance. Deviations according to custom and usage and deviations resulting from legal provisions or deviations constituting technical improvements, as well as a component replacement by equivalent parts are permissible as far as they do not impair usability for the contractually agreed purpose.
5. Morali GmbH retains the property or copyright for all offers and costs estimates issued by him as well as drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and resources made available to the client. Without the express agreement of Morali GmbH, the client may not make these objects, or the content of them, accessible to third parties or make them known to third-parties, use them itself or through third-parties or copy them. At the request of Morali GmbH, the customer shall return all such items in their entirety and destroy any copies or duplicates, if they are no longer needed by him in the proper course of business or if negotiations do not result in the conclusion of a contract.

§3 Prices and Payment

1. The prices apply for the scope of supply and performance stated in the order confirmation. Additional or special services will be calculated separately. The prices are quoted in Euro ex works additionally the legal value added tax, as well as in case of export deliveries plus customs duty and charges as well as other public charges.
2. Where the agreed prices are based upon the list prices of Morali GmbH and if deliveries are not made until four months after the completion of contract, we shall apply the list prices of the supplier.
3. Invoiced sums are to be paid in full within thirty days, unless an agreement has been made otherwise in writing. The incoming post stamp or the receipt of the payment instructions at the bank or post office is authoritative whether payment is punctual. Cheques will be valid payment after being cashed. If the client does not pay by the due date, interest will be charged on the outstanding amounts at a rate of 5% p.a. as from the due date; the application of additional damages in case of late payment remains unaffected.
4. The offsetting with counterclaims by the client or the withholding of payments against such claims is permitted only insofar as the counterclaims are undisputed or have been legally upheld. The offset needs to be clarified in writing to Morali GmbH.
5. The company shall have the right to make deliveries or provided services against prior payment or deposit, if after the conclusion of the contract circumstances become known to which are of mature to considerably reduce the client's credit worthiness and on account of which the payment of the vendors outstanding demands from the relevant contractual relations (including those from other individual orders for which the same framework contract applies) is put at risk.

§4 Delivery and Delivery Times

1. Deliveries are made from the companies head office.
2. Our time limits and deadlines for delivery and services are always applicable as approximations, unless a specific time limit or deadline has been mutually agreed upon. If shipping has been agreed, delivery dates and deadlines refer to the time of transfer to the forwarder, carrier, or other third-party assigned to transport the goods.
3. Morali GmbH- without limiting his further rights of delay of the buyer- the vendor may ask the client for an extension to terms of supplies and services or a postponement of delivery and completion deadlines by the period of time for which the client fails to meet his contractual obligations with respect to the vendor.
4. Morali GmbH is not liable for the impossibility of delivery or for delays in delivery so far as these have been caused by force majeure or other events that these unforeseeable circumstances (e.g. all forms of disruption in operations; difficulties in obtaining material and energy; delays caused by transit problems, strikes or legal lockouts; shortage of labour, energy or raw materials; difficulties in obtaining official authorisations, official provisions or the absence, not orderly or non-timely delivery by the suppliers) could not have been predicted

during the period of contract signing, and which have not been caused by us. If such occurrences cause the delivery of the equipment or service to be considerably delayed or impossible to provide and the situation will not be rectified within 3 months, both parties have the right to withdraw from the contract during an appropriate deadline.

In the event of impediments that are of temporary duration the deadlines for delivery or performance shall be extended or the delivery or performance dates shall be postponed by the period of the impediment plus a reasonable start-up period. In so far as the client cannot be expected to accept the supply or services as a result of the delay, he may withdraw from the contract by means of an immediate written notification to the vendor.

5. Morali GmbH shall only be entitled to partial deliveries if the partial delivery can be used by the customer within the scope of the contractual intended use
 - If the delivery of the outstanding goods is secured
 - and the buyer does not have material additional expenses or additional cost due to the partial delivery (unless we agree to bear such costs). Each partial delivery represents hereby an independent business within the meaning of the general terms and conditions. The principal needs to supply the pro-rated amount for partial deliveries to Morali GmbH.
6. If the vendor falls behind with a supply or service or if a supply or service is impossible for him, for whatever reason this may be, then the vendor's liability is limited to compensation in accordance with §8 of these general terms and conditions.

§5 Place of Fulfilment, Delivery, Packing, Transfer of Risk, Acceptance

1. The place of fulfilment for all obligations resulting from the contractual relationships is Rottweil.
2. The kind of transport and packing are subject to the obligatory discretion of the seller.
3. The risk transfers to the customer at the latest with the handover of the delivery item (the beginning of the loading procedure is decisive here) onto a forward agent, shipping agent or any third party that has been assigned with the task. This shall also apply in those cases in which consignments are supplied in part-deliveries or the seller has also agreed to provide additional services (e.g. dispatch of installation). In a delivery or commissioning delayed, caused by a reason from the sphere of the buyer, the risk passes to the buyer on the day on which the delivery is ready for dispatch and the seller has communicated this fact to the ordering party.
4. Storage costs after the risk has been transferred to be carried by the customer. In case of storage by Morali GmbH, the storage costs amount to 0.25% of the invoice amount of the objects of supply to be stored per week of elapsed time. The right to claim for additional storage costs or request proof of lower storage costs remains reserved.

§6 Warranties

1. The warranties apply for a period of 6 months after the delivery. No warranty is given for parts subject to wear and tear. It reduces itself during the usage of the product in a 2-shift

operation (16 hours of daily durability) up to three months and three shift operations (24 hours of daily durability) for two months, starting with the delivery of goods.

2. The delivered goods have to be accurately inspected immediately after delivery to the buyer or determined third parties. They shall be deemed to be approved if the vendor has not received a written notification of defects pertaining to visible defects or other defects visible in the course, which need to be identified following an immediate and thorough inspection, or otherwise within five working days after the detection or the time at which the defect became evident to the customer in the normal utilization of the delivered object. Damage in transit shall be reported to the carrier company. Upon our request, the rejected delivery item is to be sent back to us free of delivery charges.
3. In case of material defects in the items supplied Morali GmbH is initially obliged and entitled to repair them or supply replacements according to his choice, which is to be made within an appropriate period. In the event of failure, i.e. repair or replacement supply is impossible or unreasonable or in case of refusal or inappropriate delay, the client may withdraw from the contract or reduce the purchase price appropriately.
4. If a defect is due to fault on the part of Morali GmbH, the client may request compensation under certain circumstances as per §8.
5. In case of defects in components from other manufacturers, which Morali GmbH cannot remedy for reasons of licensing law or factual reasons, the vendor will make his warranty claims against the manufacturer and supplier on the client's account or transfer the title to this to the client. Warranty claims against the Morali GmbH only exist for defects of this kind under other conditions and in accordance with these general terms and conditions if the legal enforcement of the abovementioned claims against the manufacturer and supplier was unsuccessful or for example, there is no reasonable chance due to insolvency. During the legal dispute the statute of limitations of the relevant guarantee claims of the customer against the seller does not apply.
6. Warranty does not apply if the buyer modifies the goods or let them modify by third parties without allowance from Morali GmbH and which makes the supplementary performance impossible or more difficult. In each case the client must bear the additional costs of remedying defects caused by the modification.
7. A supply of used items agreed in individual cases with the client is done under exclusion of any warranty.

§7 Trade Mark Rights

1. Morali GmbH is responsible for the goods to be free from trade mark rights or intellectual property rights of third parties according to §7. Each contract partner will inform the other partner in writing without delay, should any demands be made upon them due to the infringement of any of these rights.
2. In case a delivered item violates commercial protective laws or copyrights of any third party, Morali GmbH shall in its discretion and on its own account change or exchange in such a way that it no longer infringes any third party rights, but so that the item supplied continues to fulfil its contractually agreed functions, or obtain utilization rights on behalf of the customer

through the completion of a licensing agreement. If he does not manage to do this within an appropriate period, the client is entitled to withdraw from the contract or reduce the purchase price appropriately. Any further claims for damages shall be precluded.

3. In case of infringement of industrial and intellectual property rights by our subcontractors or other manufacturers for the items we deliver to the buyer, we can choose between making a claim for compensation directly against them for the sum of the buyers invoice or ask the buyer to do so. Claims against the vendor only exist in this case in accordance with this §7 if the legal enforcement of the abovementioned claims against the manufacturer and previous supplier was unsuccessful or, for example, there is no reasonable chance due to insolvency.

§8 Liability for Damages in Case of Default

1. The liability of Morali GmbH for compensation for liability, regardless of legal grounds, in particular due to impossibility, default, defective or incorrect delivery, breach of contract, breach of obligations and tortuous act, is limited to the regulations to this §8.
2. Morali GmbH is not liable in case of wilful negligence of its organs, legal representatives, employees or other assistants, as far as it is no essential contractual obligation. Considered essential to the contract are the obligations for prompt supply free of defects.
3. If Morali GmbH is liable pursuant to §8(2) for compensation on its merits, this liability will be limited to damages that Morali GmbH foresaw when concluding the agreement as a possible consequence of a breach of contract or which it should have foreseen when taking the usual care. Besides this, indirect damages and consequential damages resulting from defects in the goods can only be replaced provided that such damages are typically expected when using the goods as intended. Such foreseeable contract coherent damage is limited to the amount of the particular order.
4. In case of liability of simple negligence, the obligation on the part of Morali GmbH replace or reimburse physical damage and resulting loss of profits is limited to an amount of 5.000 EURO per case of loss, including where the breach is of a significant contractual obligation.
5. The aforementioned exclusions and limitations of liability apply to the same extent in favour of the organs, legal representatives, employees and other agents of Morali GmbH.
6. In so far as the Vendor provides technical information or acts as an adviser and this information or advice is not part of the contractually agreed scope of services owed by him, this is done free of charge and with the exclusion of any liability.
7. The limitations of §8 shall not apply to Morali GmbH liability for wilful misconduct, for warranted characteristic features, damage to life, body or health, or in accordance with product liability laws.

§9 Retention of Title

1. Morali GmbH retains title to the goods delivered until full payment of all claims arising from the general terms and conditions.

2. The working and processing of the shipped product shall at all times be made in our name and on our instructions. The possible obligation for removal shall not be substantiated hereby. If the goods supplied under reservation of title are mixed during processing with other goods not belonging to us, then we shall acquire co-ownership of the new item created in the ratio of the value of the goods supplied under reservation of title (final invoice value including value-added tax) to the value of the other goods processed at the time of processing.
3. The reservation commodity is to be treated carefully. The customer shall be obliged to insure them adequately at his own cost at the original value against damage by fire, water and theft and he needs prove the conclusion of appropriate insurances on request. The purchaser hereby assigns his compensation claims under these insurance contracts to Morali GmbH. This assignment is hereby accepted.
4. In the event of a breach of contract by the purchaser, in particular in the case of default with payment, if the financial standing of the orderer declines significantly or if an application for the opening of insolvency, Morali GmbH is entitled to assert this retention of title. Morali GmbH shall be entitled to enter the business premises of the contractual partner and seize the goods which are subject to reservation of title. If the customer does not comply with its obligations, Morali GmbH shall have the right to withdraw from the contract.
5. In case of consisting financial obligation of the customer which he receives in the course of the business relationship, the customer is obligated to immediately communicate in writing the relocation of his place of business, insolvency, transfer of possession to his consumers, pledges or other third party access. In case of access by third parties the purchaser is obliged to draw attention to Morali's ownership.
6. The customer is entitled to resell the goods delivered in ordinary course of business. He herewith assigns to Morali GmbH all accounts receivable, in the sum of the invoiced amount that accrue against a third party as a result of reselling. Herewith Morali GmbH declares the acceptance of the transfer.
7. The customer is entitled to the move of the transfer demand. This direct debit authorization can always be recalled by Morali GmbH. The right of Morali GmbH to collect the debt on its own account shall remain unaffected. The authorization of collection expires also without explicit revocation if the customer defaults, if a petition for opening insolvency proceedings is filed or if he stops his payments. In such cases Morali GmbH is authorized to demand that the customer notify the supplier of the assignment of the receivables and their debtors, provides all information and documents necessary to assert our rights and that he informs third parties of the assignment. To secure the requirements Morali GmbH is entitled to disclose the conveyance to the client's customer. In addition to further disposal over the delivered goods the client is not entitled.
8. Morali GmbH undertakes to release the securities customer to the extent that the realizable value of the securities exceeds the liabilities to be secured by more than 20%. The release takes place on demand of the client.

§10 Final Provision

1. The courts of Rottweil shall have exclusive jurisdiction over any and all disputes arising from the business relationship between Morali GmbH and the client.

2. Morali GmbH is also entitled to bring an action against the client at its place of residence. The relationship between Morali GmbH and the client are exclusively subject to German law. The application of the uniform UN purchasing law and other convention governing on the international sale of goods is explicitly excluded.
3. The customer takes notice of the fact that Morali GmbH records data from the contractual relationship in accordance with §28 of the Federal Data Protection Act for the purpose of data processing and reserves the right to transfer such data to third parties in as much as it is necessary for the fulfillment of the contract.