

---

## General Terms and Conditions of Sale and Delivery of

### KNAUER ENGINEERING GmbH Industrieanlagen & Co. KG

#### **I. Preamble:**

These General Conditions shall apply when the parties agree in writing or otherwise thereto. When the General Conditions apply to a specific contract, modifications or deviations from them must be agreed in writing.

The object(s) to be supplied under these General Conditions is (are) hereinafter referred to as the product.

Wherever these General Conditions use the term in writing, this shall mean by document signed by the parties, or by letter, fax, and electronic mail and by such other means as are agreed by the parties.

#### **II. Product Information**

All information and data contained in general product documentation and price lists, whether in electronic or any other form, are binding only to the extent that they are by reference expressly included in the contract.

#### **III. Drawings and descriptions:**

All drawings and technical documents relating to the product or its manufacture submitted by one party to the other, prior or subsequent to the formation of the contract, shall remain the property of the submitting party.

Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

#### **IV. Scope of supply**

For the scope of supply the written order confirmation of the supplier is binding. Supplements to an agreement and changes require a written confirmation of the supplier.

#### **V. Prices and payment**

1. If no trade term is specifically agreed the prices are ex works (EXW) incl. loading of the goods but without packing.
2. Unless otherwise agreed, the purchase price shall be paid with one third at the formation of the contract and one third when the supplier notifies the purchaser that the product, or the essential part of it, is ready for delivery. Final payment shall be made when the product is delivered. Payments shall be made within 30 days of the date of the invoice.
3. Whatever the means of payment used, payment shall not be deemed to have been effected before the supplier's account has been fully and irrevocably credited.
4. If the purchaser fails to pay by the stipulated date, the supplier shall be entitled to interest from the day on which payment was due. The rate of the interest shall be as agreed between the parties. If the parties fail to agree on the rate of the interest, it shall be 8 percentage points above the rate of the main refinancing facility of the European Central Bank in force on the due date of payment
5. In case of late payment the supplier may, after having notified the purchaser in writing, suspend his performance of the contract until he receives payment.

6. If the purchaser has not paid the amount due within three months the supplier shall be entitled to terminate the contract by notice in writing to the purchaser and to claim compensation for the loss he has incurred. The compensation shall not exceed the agreed purchase price.

#### **VI. Delivery. Passing of Risk**

Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the contract.

If no trade term is specifically agreed, the delivery shall be Ex works (EXW). If, in case of delivery Ex works, the supplier, at the request of the purchaser, undertakes to send the product to its destination, the risk will pass not later than when the product is handed over to the first carrier. Partial shipments shall be permitted unless otherwise agreed.

#### **VII. Retention of Title**

1. The product shall remain the property of the supplier until paid for in full to the extent that such retention of title is valid under the applicable law.
2. The purchaser shall at the request of the supplier assist him in taking any measures necessary to protect the supplier's title to the product in the country concerned.
3. The retention of title shall not affect the passing of risk.

#### **VIII. Liability for Defects**

1. Pursuant to the provisions of clauses 2 – 14 inclusive, the supplier shall remedy any defect or nonconformity (hereafter termed defect(s)) resulting from faulty design, materials or workmanship.
2. The supplier's liability is limited to defects which appear within a period of one year from delivery. If the daily use of the product exceeds that which is agreed, this period shall be reduced proportionately.
3. When a defect in a part of the product has been remedied, the supplier shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original products for a period on one year. For the remaining parts of the product the period mentioned in clause 2 shall be extended only by a period equal to the period during which the product has been out of operation as a result of the defect.
4. The purchaser shall without undue delay notify the supplier in writing of any defect which appears. Such notice shall under no circumstance be given later than two weeks after the expiry of the period given in clause 2.  
The notice shall contain a description of the defect. If the purchaser fails to notify the supplier in writing of a defect within the time limits set forth in the first paragraph of this clause, he loses his right to have the defect remedied. Where the defect is such that it may cause damage, the purchaser shall immediately inform the supplier in writing. The purchaser shall bear the risk of damage resulting from his failure so to notify.
5. On receipt of the notice under clause 4 the supplier shall remedy the defect without undue delay and at his own cost as stipulated in clauses 1 – 14 inclusive.  
Repair shall be carried out at the place where the product is located unless the supplier deems it appropriate that the defective part or the product is returned to him for repair or replacement. The supplier is obliged to carry out dismantling and re-installation of the part if this requires special knowledge. If such special knowledge is not required, the supplier has fulfilled his obligations in respect of the defect when he delivers to the purchaser a duly repaired or replaced part.
6. If the purchaser has given such notice as mentioned in clause 4 and no defect is found for which the supplier is liable, the supplier shall be entitled to compensation for the costs he has incurred as a result of the notice.
7. The purchaser shall at his own expense arrange for any dismantling and reassembly of equipment other than the product, to the extent that this is necessary to remedy the defect.

8. Unless otherwise agreed, the purchaser shall bear any additional costs which the supplier incurs for repair, dismantling, installation and transport as a result of the product being located in a place other than the destination stated in the contract or – if no destination is stated – the place of delivery.
9. Defective parts which have been replaced shall be made available to the supplier and shall be his property.
10. If, within a reasonable time, the supplier does not fulfil his obligations under clause 5, the purchaser may by notice in writing fix a final time for completion of the supplier's obligations.  
If the supplier fails to fulfil his obligations within such final time, the purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the supplier.
11. The supplier is not liable for defects arising out of materials provided, or a design stipulated or specified by the purchaser.
12. The supplier is liable only for defects which appear under the conditions of operation provided for in the contract and under proper use of the product. The supplier's liability does not cover defects which are caused by faulty maintenance, incorrect erection or faulty repair by the purchaser, or by alterations carried out without the supplier's consent in writing. Finally the supplier's liability does not cover normal wear and tear or deterioration.
13. Notwithstanding the provisions of clauses 1 – 13 the supplier shall not be liable for defects in any part of the product for more than two years from the beginning of the period given in clause 2.
14. This applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation of the supplier's liability shall not apply at deliberate intention, gross negligence or culpable violation of life, body or health. It furthermore does not apply in case of violation of fundamental contractual obligations. In case of slight negligence the supplier is only liable for direct losses foreseeable and typical for this type of contract. The liability limitation does not apply in cases where there are defects of the delivered product for persons or material property of privately used objects for which the liability law takes effect. It also does not apply at defects which have been concealed by the supplier on purpose.

#### **IX Allocation of Liability for Damage caused by the product**

The supplier shall not be liable for any damage to property caused by the product after it has been delivered and whilst it is in the possession of the purchaser. Nor shall the supplier be liable for any damage to products manufactured by the purchaser, or to products of which the purchaser's products form a part.

If the supplier incurs liability towards any third party for such damage to property as described in the preceding paragraph, the purchaser shall indemnify, defend and hold the supplier harmless.

If a claim for damage as described in this clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof in writing.

The supplier and the purchaser shall mutually be obliged to let themselves be summoned to the court or arbitral trial examining claims for damages lodged against one of them on the basis of damage allegedly caused by the product.

The limitation of the supplier's liability in the first paragraph of this clause shall not apply where the supplier has been guilty of gross negligence as defined.

#### **X. Force Majeure**

1. Either party shall be entitled to suspend performance of his obligations under the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following

---

circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this clause.

A circumstance referred to in this clause whether occurring prior to or after the formation of the contract shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the formation of the contract.

2. The party claiming to be affected by force majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance. If force majeure prevents the purchaser from these general conditions, either party shall be entitled

Regardless of what might otherwise follow these general conditions, either party shall be entitled to terminate the contract by notice in writing to the other party if performance of the contract is suspended under clause 1 for more than six months.

### **XI. Time for Delivery, Delay**

1. If the parties, instead of specifying the date for delivery, have specified a period of time on the expiry of which delivery shall take place, such period shall start to run as soon as the contract is entered into, all official formalities have been completed, payments due at the formation of the contract have been made, any agreed securities have been given and any other preconditions have been fulfilled.

2. If the supplier anticipates that he will not be able to deliver the product at the time for delivery, he shall forthwith notify the purchaser thereof in writing, stating the reason, and, if possible, the time when delivery can be expected.

If the Supplier fails to give such notice, the purchaser shall be entitled to compensation for any additional costs which he incurs and which he could have avoided had he received such notice.

3. If delay in delivery is caused by any force majeure or by an act or omission on the part of the Purchaser the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

4. If the Purchaser anticipates that he will be unable to accept delivery of the product at the delivery time, he shall forthwith notify the supplier in writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery.

If the purchaser fails to accept delivery at the delivery time, he shall nevertheless pay part of the purchase price which becomes due on delivery, as if delivery had taken place. The supplier shall arrange for storage of the product at the risk and expense of the purchaser. The supplier shall also, if the purchaser so requires, insure the product at the purchaser's expense.

5. Unless the purchaser's failure to accept delivery is due to any such circumstance as mentioned, the supplier may by notice in writing require the purchaser to accept delivery within a final reasonable period.

If, for any reason for which the supplier is not responsible, the purchaser fails to accept delivery within such period, the supplier may by notice in writing terminate the contract in whole or in part. The supplier shall then be entitled to compensation for the loss he has suffered by reason of the purchaser's default. The compensation shall not exceed that part of the purchase price which is attributable to that part of the product in respect of which the contract is terminated.

### **XII. Anticipated Non-Performance**

Notwithstanding other provisions in these General Conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof in writing.

---

**XIII. Consequential Losses**

Save as otherwise stated in these General Conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever.

**XIV. Disputes and Applicable Law**

All disputes arising out of or in connection with the contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules.

The contract shall be governed by the substantive law of the supplier's country.

**XV. Data protection**

We take the protection of your personal data very seriously. We treat your personal data confidentially and in accordance with the legal data protection regulations. In the data protection leaflet we describe in detail the handling of personal data. This leaflet can be found at: <https://www.knauer-engineering.com/terms.html>.