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General Terms and Conditions for Shipping

§ 1 General – Area of Application

These general terms and conditions for shipping apply between Krinner Compressed Air Technologies (Firma Krinner Drucklufttechnik GmbH) – deliverer – and their customers – purchasers. All, even future, shipments and services including consultations and ancillary services are exclusively conducted on the basis of these general terms and conditions for shipping. This explicitly disagrees with sales and/or order terms of the purchaser, unless we have explicitly agreed to the terms of the purchaser in writing. For repair and assembly services, the ‘General terms and applications for repairs and assembly’ of the Krinner Drucklufttechnik GmbH company apply.

These general terms and conditions for shipping apply for businesses according to § 310 paragraph 1 BGB under German Law.

§ 2 Offers – Bidding Documents

The offers of the deliverer comprise the bidding documents – pictures, drawings, weights and measurements are only approximate, if they are not explicitly marked as legally binding and guaranteed. They serve as general information without guaranteeing or defining a certain feature.

If an order by the purchaser can be qualified as an offer according to § 145 BGB under German Law, the deliverer is entitled to accept it in a period of three weeks.

The deliverer retains all property rights and copyrights regarding pictures, drawings, calculations and other material. This also applies for all written documents that are considered confidential. Before they are passed on to third parties, the purchaser is required to obtain explicit consent in writing. The deliverer is bound to make plans declared confidential by the purchaser available to third parties only with the explicit consent of the purchaser.

§ 3 Scope of Delivery

The written order confirmation by the purchaser is essential for the scope of the delivery. In the event of an offer by the deliverer with a certain time commitment and an acceptance of a due date by the purchaser, the offer of the deliverer is decisive if there is not a contrary order confirmation in due time. The deliverer is entitled to technical changes up to the final shipment (including measurements, weight, etc). Further side-agreements require the written confirmation of the deliverer.

§ 4 Prices, Payment Conditions

If the confirmation of the order does not state otherwise, all shipping prices are considered ‘ex works’, excluding packaging; packaging is invoiced separately. The value added tax is mandatory for all delivery prices. The tax will be declared in the legally binding amount on the invoice on the

day the invoice is issued.

Cash discounts require a special agreement in writing.

If the confirmation of an order does not state otherwise, the requested net amount (without deduction) is due within 14 days of the invoice date.

According to legal regulations, the consequences for delays of payment apply, especially the legally regulated default interests, in which case the deliverer is entitled to prove higher damage caused by default.

The client only has valid set-off rights if his counterclaims have been assessed legally binding, non-disputed or acknowledged by us. Furthermore, a retaining lien is only viable if the counterclaim of the client rests on the same contractual relationship.

§ 5 Delivery Period

The clarification of all technical details is the prerequisite of the start of the delivery period and the compliance with deadlines by the deliverer.

Proper compliance with all obligations by the purchaser (supplying all documents, licenses, and the clearance of plans) is also a prerequisite of the fulfilment of the obligations by the deliverer. Unfulfilled contracts are subject to rejection. A further prerequisite is the completion of necessary prior construction works and assembly and the on-site supply of water, gas and electricity by the purchaser, which are necessary for the representatives of the deliverer.

If there is a default of acceptance on the part of the purchaser, or if the purchaser culpably breaches any of the mandatory contributions by the purchaser (see paragraph 2), the deliverer is entitled to claim compensation for the damage caused or for the additional work and expenses. Further claims are reserved.

The deliverer is liable according to legal regulations in so far as the contract of sale is a firm deal according to § 286 paragraph 2 Nr. 4 BGB or § 376 HGB of German Law. We are liable to legal regulations, if the purchaser is entitled to make valid claims due to the discontinuation of the fulfilment of the contract to a delay in shipment if caused by the deliverer.

The deliverer is furthermore liable according to legal regulations if the delayed shipment is caused by a deliberate or gross negligent breach of the contract by the deliverer or the fault of one of our representatives or agents. If the delivery contract is not based on a deliberate breach of the contract by the deliverer, compensation for damages is restricted to predictable, typically occurring damages.

The deliverer is liable according to legal regulations should the default shipment be caused by a culpable breach of one of the contractual obligations. In this case, the liability is restricted to the predictable, typically occurring damage.

Furthermore, in the case of a delayed delivery, the deliverer is liable for every completed week in the course of a flat-rate compensation to the amount of 0.5% of the delayed shipment value, but not more than 5% of the delayed shipment value (therefore, a delay of a maximum of 10 weeks).

§ 6 Transfer of Risk, Acceptance

If the confirmation of the order does not state otherwise, all shipping is considered 'ex works', even when the goods are delivered in partial shipments or in the case that the deliverer has accepted further obligations (travel, installation, assembly). The purchaser bears the risk of transport.

Should the purchaser so desire, his shipment will be covered by transport insurance. The purchaser bears the costs of any such insurance.

Transport packaging and all other packaging is not taken back, with the exception of pallets and other packaging items, which the deliverer takes back at his own discretion. The deliverer is not obligated to dispose of packaging at his own costs.

In the event of a failed delivery caused by circumstances in the responsibility of the purchaser, the

risk transfers from the deliverer to the purchaser on the day of readiness for shipment. Partial shipments and partial services are acceptable. If receipt and acceptance do not occur on time or are incomplete without any fault on the part of the deliverer, the delivered item is considered as accepted three working days after the readiness for shipment or readiness for acceptance.

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§ 7 Defect Liability

The purchaser is required to fulfil the obligation for inspection and the obligation to present a notice of defect according to § 377 HGB under German Law as a prerequisite for liability rights. In the event of a defect in the purchased item, the deliverer is entitled to resolve the fault in the form of a repair of the defect or the shipment of a non-defective item.

Should the deliverer fail to resolve the issue, the purchaser is entitled to demand a cancellation of contract or a reduction.

The deliverer is liable according to legal regulations, in the event the purchaser claims damage compensation on the basis of deliberate action or negligence or deliberate action or negligence on part of the deliverer's representatives and agents. If there is no deliberate breach of contract on part of the contractor, liability for compensations for damages is limited to predictable, typically occurring damages. In the case of a culpable, essential breach of contract, the contractor is liable according to legal regulations. However, the liability is restricted to the predictable, typically occurring damage.

The liability for culpably damaging life, limb or health remains unaffected, as does the mandatory liability regulations according to the laws of product liability.

If not agreed upon otherwise, the liability does not cover deviating arrangements.

The period of limitation for claims for defects is 12 months calculated after the transfer of risk, at latest with the delivery of the item to the purchaser.

The period of limitation in the case of a delivery regress under article §§ 478, 479 BGB of German Law remains unaffected.

The deliverer is not liable for the faulty assembly, installation or operation by the purchaser or third parties, unsuitable or improper use, natural abrasion, unsuitable operating resources, faulty or negligent treatment, unsuitable replacement materials or faulty maintenance, unsuitable building grounds, in so far as these factors cannot be directly attributed to the deliverer.

§ 8 Joint Liability

Further liabilities for damage compensation than covered in § 6 are excluded, without any regards to the legal nature of the claim. This especially applies to claims for damage compensation for faults arising during conclusion of the contract, other violations of obligations or torts claims for compensations for damages to property according to § 823 BGB under German Law.

In the case of liabilities for damage compensation being excluded or only partially applicable to the deliverer, this also applies in regard to the personal liabilities for damage compensation of the employees, members of staff, representatives or agents of the deliverer.

§ 9 Securing of Reservation of Ownership

The deliverer remains the owner of the purchased item to the point of receipt of all payments agreed on in the delivery contract. In the case of illegal conduct on part of the purchaser, especially defaulted payments, the deliverer is entitled to reclaim the purchased item. Reclaiming the purchased item or a levy of execution does not constitute a withdrawal from the contract, unless the deliverer has explicitly stated so in writing. After reclaiming the purchased item, the deliverer is entitled to make use of it, the process are calculated towards the liabilities of the purchaser – after subtracting appropriate utilisation costs.

The purchaser is bound to handle and treat the purchased item carefully, especially as he is obligated to sufficiently insure the purchased items up to their replacement value against fire and water damage and theft after the transfer of risk. The purchaser is obligated to undertake all necessary maintenance works and inspections at his own cost.

In the case of a levy of execution or other interventions from third parties, the purchaser is required to notify the deliverer immediately, to ensure the deliverer can sue according to § 771 ZPO under German Law. Should third parties not be able to cover the in court and out of court costs incurred by such a lawsuit, the purchaser is liable to the deliverer for the default.

Extended securing of reservation of ownership:

The purchaser is entitled to resell the purchased item in the usual course of business. However, he waives all claims of the deliverer to the amount of the full invoice final amount (including the value added tax) to the deliverer at the time of conclusion of contract, which accrue to him from the resale to his own purchasers or third parties, regardless of whether the purchased item was sold after further processing. The purchaser is entitled to debt recovery even after the sale. The right of the deliverer to collect his claims remains unaffected. This is omitted as long as the purchaser fulfils all his payment obligations and there are no default payments, and especially as long as there is no bankruptcy petition, settlement petition, petition for insolvency proceedings or suspension of payments. In this case the deliverer is entitled that the purchaser announces all ceded claims and their debtors, all further information required for the collection, passes the deliverer all documents and announces to his debtors (third parties) the act of transfer.

Further processing or redesign of the purchased item is always conducted by the purchaser for the deliverer. If the purchased item is further processed with materials not belonging to the deliverer, the deliverer gains partial ownership of the new item according to the value of the purchased item (final invoice amount including value added tax) to the other processed items at the time of the processing. For the new items all regulations of securing of reservation of ownership of the delivered purchased item apply.

If the purchased item is inseparably combined with items that do not belong to the deliverer, the deliverer gains partial ownership of the new item according to the value of the purchase item (final invoice amount including value added tax) to the other combined items at the time of the combination. If the combination occurs in a way that the purchased item constitutes the main item, the purchaser immediately transfers partial ownership to the deliverer. The purchaser retains the exclusive ownership or partial ownership of the deliverer for the deliverer.

The purchaser also waives all claims to secure the claims of the deliverer - to the deliverer, who accrue to the purchaser by the combination of the purchased items and an estate to third parties.

The deliverer is obliged to clear all securities he is entitled to upon request of the purchaser, if the realisable value of the securities exceeds the claims of the deliverer by 10%. The deliverer has the choice of clearable securities.

§ 10 Legal Domicile, Place of Fulfilment, Applicable Law and Severability Clause

If the client is a businessman, the legal jurisdiction is the head office of the contractor. However, the contractor is entitled to sue the client at the legal jurisdiction of the client.

The law of the Federal Republic of Germany applies, as far as it is essential for the privity of contract of domestic parties. Applicability of HYPERLINK „United HYPERLINK „Nations HYPERLINK „Convention HYPERLINK „on HYPERLINK „Contracts HYPERLINK „for HYPERLINK „the HYPERLINK „International HYPERLINK „Sale HYPERLINK „of HYPERLINK „Goods is excluded.

The place of fulfilment for the payment of the client is the head office of the contractor.

In the event of the inefficacy of individual articles of the contract, the others remain legally binding. The parties agree at this point that instead of the inefficacious article, a legally binding regulation applies, that comes closest to the economic end of the inefficacious article.