

SAVE TO THE EXTENT THAT WE HAVE OTHERWISE AGREED, THESE TERMS AND CONDITIONS GOVERN ALL OUR CONTRACTS WITH PURCHASERS DOMICILED IN THE FEDERAL REPUBLIC OF GERMANY TO THE EXCLUSION OF OTHER TERMS AND CONDITIONS. OUR QUOTATIONS AND ESTIMATES ARE NON-BINDING AND DO NOT CONSTITUTE OFFERS CAPABLE OF ACCEPTANCE BY YOU, UNLESS AGREED OTHERWISE. ANY ORDER PLACED BY YOU WILL ONLY BE ACCEPTED BY OUR CONFIRMATION, EITHER IN WRITING OR ELECTRONIC FORM, OF SUCH ORDER.

1. BASIS OF CONTRACT; APPLICABLE LAW; VENUE

(a) Gardner Denver Deutschland GmbH, Registered Office: Industriestraße 26, 97616 Bad Neustadt (the "Company") –designs, manufactures, markets and installs compressors, blowers and pump equipment, and related spare parts, and provides ancillary goods and services ("the Products").

(b) No representation, undertaking or promise shall be taken to have been given or implied from anything said or written in negotiations between the parties prior to the date of this Contract except anything to the contrary (i) follows from the circumstances of the individual case, (ii) has been or will be agreed by the parties or (iii) is expressly stated in this Contract.

(c) This Contract shall be construed in accordance with the substantive law of the Federal Republic of Germany, and the exclusive place of jurisdiction shall be, Bad Neustadt, Germany (district of the Regional Court of Schweinfurt). As an alternative, the Company is also entitled to bring an action before the court in the district of which the Customer has its seat.

(d) All orders arising out of this proposal shall not be binding upon the Company until accepted and acknowledged in writing by an authorized employee of the Company.

(e) The minimum order value is 100 euro.

2. DELIVERY; PACKAGING; PASSING OF RISK; FORCE MAJEURE

(a) All sales are made ex-works (EXW according to Incoterms 2000). If the Customer requests delivery, such delivery shall be made at the Customer's sole expense and risk, unless otherwise expressly stipulated. The Company may, in its sole discretion, select the carrier unless otherwise specified by the Customer.

(b) The Customer may not return to the Company any packaging materials for which there exists a dual system of waste disposal ("Grüner Punkt") or the like that has been recognized by the competent authority in accordance with the packaging regulations as amended. The Customer may not return to the Company any packaging materials in the event the Company uses a suitable waste disposal enterprise in accordance with the packaging regulations as amended. In such case, the Customer shall be obliged to make available and hand over the packaging material to the disposal enterprise.

(c) To the extent the Company is obliged to take back any packaging materials, the return of such packaging materials must be made at the Company's seat during the Company's general business hours. The returned packaging materials must be free of any foreign substances and must be sorted by different packing types. To the extent the Customer agrees to waive its right of return against the grant of a flat-rate disposal charge, the Customer shall be obliged to hand the used packaging materials over to a recognized disposal enterprise that guarantees proper disposal in accordance with the provisions of the packaging enterprise.

(d) The Customer must notify the Company, in writing, of all obvious defects in the delivery of the Company without undue delay after delivery, at the latest within a period of not more than 10 days from the Customer's receipt of such deliveries, otherwise the assertion of warranty claims is excluded. The duty to examine and make complaints according to § 377 HGB remains unaffected by the preceding sentence.

(e) In the event of delay beyond any date agreed for the Company's performance of its obligations under this Contract that is caused by circumstances beyond either party's control (force majeure), the Company will be entitled to a reasonable extension of time. In the event of any such delay that is caused by the Customer, the Company will be entitled to a reasonable extension of time and to compensation for any costs, expenses and losses it suffers by reason thereof.

(f) While dates or periods for readiness for dispatch or delivery of goods are given in good faith the same are not of the essence of or in any way terms of the Contract or representations of fact, unless agreed otherwise.

(g) Unless agreed otherwise, the following shall apply with respect to (i) the risk of damage to or loss of the Products during transport and (ii) transport insurance: The risk of loss of the Products during transport shall be on the Customer. Prior to the scheduled shipping date, Customer shall deliver to the Company evidence of insurance in appropriate amounts and with responsible companies insuring the

Products during transport. In the event Customer fails to deliver such evidence of insurance, the Company may obtain reasonable insurance at Customer's cost.

(h) The Company reserves the right to make partial deliveries provided such partial deliveries are reasonable for the Customer. Every partial delivery may be invoiced separately.

3. RESERVATION OF TITLE

All Products shall remain the property of the Company until paid for in full. Pending payment of the full purchase price of the Products the Customer shall at all times keep the Products comprehensively insured against loss or damage by accident, fire, theft and other risks usually covered by insurance in the type of business carried on by the Customer in an amount at least equal to the balance of the price for the same from time to time remaining outstanding. The Customer shall, upon request of the Company, provide proof of such insurance and assign to the Company the claims arising from such insurance policy. In addition, the Customer undertakes not to charge by way of security any of the Products that remain the property of the Company.

4. ENGINEERING CRITERIA; COOPERATION; EXCLUSION OF WARRANTY IN CASE OF INAPPROPRIATE USE OF THE PRODUCTS; INDEMNITY; TESTING

The Products are sophisticated engineering products; accordingly, the Customer undertakes to ensure, subject to the parties' individual agreement:

(a) That it has provided and will promptly provide all the information reasonably necessary to enable the Company to (i) evaluate the requirements for performing and (ii) perform the Contract, and that all such information is full and accurate;

(b) That all premises, plant, engineering support, spare parts, connected pipe work and machinery and inputs that it is required to provide for the design, engineering, installation, testing and use of the Products are fit for their purpose and of good engineering quality;

(c) Fully to co-operate with the Company in the design, engineering, installation, testing and use of the Products;

(d) To use the Products for the intended purpose only and in accordance with the Product literature and not under any circumstances, to use any unsuitable spare part, unsuitable connected machinery, unsuitable service or repair or use the Products in any other manner as may render the Products dangerous. Any defect of the Products caused by a breach hereof will negate all warranty obligations on the part of the Company relating to the quality of the Products.

The Customer shall further be liable, subject to statutory law, to the Company for any costs, expenses and losses it suffers by reason of any breach of these undertakings.

5. DRAWINGS, DESIGNS AND CONFIDENTIALITY

(a) All of the Company's specifications, designs, drawings, indications of physical, chemical and electronic properties and indications of inlet pressure or vacuum, pressure output and power consumptions ("the Designs") are made in good faith and are approximate indications only and are not binding in detail unless the Customer has specified in writing a particular indication upon which he is relying and the Company shall be entitled to vary the same and/or to correct errors and omissions provided the Products remain in conformity with the contractual requirements.

(b) The Designs (including all copyright, design right and other intellectual property in them) shall as between the parties be the property of the Company; and the Customer is not entitled to make any use of the Designs other than for the purpose of this Contract.

(c) Any inventions, modifications, improvements, techniques or know-how affecting the Products made or gained in the course of performing this Contract, shall belong to the Company absolutely.

(d) Neither party shall disclose to third parties or use for its own purposes any confidential information or trade secrets of the other party.

(e) Each party undertakes to ensure that it has or acquires the necessary intellectual property rights to enable it to perform its contractual obligations and to forthwith inform the other on discovery of any infringement of intellectual property rights.

6. PRICES, TERM

(a) All invoices shall be paid in euros or other Freely Convertible Currency within 30 days from the date of invoice (the "Due Date") unless expressly agreed otherwise, without any deduction or withholding on account of any rights of equitable set-off which the Customer may have (save where the same are undisputed or have been finally determined in a legally binding manner). The Company reserves the right to require payment in part or in full or the provision of such security or guarantees from or on behalf of the Customer as the Company deems necessary before the commencement of the performance of the Contract, unless agreed otherwise. The Company shall have the right at any time to review the credit limit requirements relating to the Customer and to increase or reduce the same by notice in writing to the Customer. The Company may, in its sole discretion, accept payment for Products by cash in advance or by money-down with scheduled progress payments. The Company shall without prejudice to its other rights have the right by notice in writing to the Customer to demand immediate payment of all monies due from the Customer to the Company for any goods delivered at any time, subject to the individual agreement of the parties. As used in this clause, "Freely Convertible Currency" means a currency that is widely traded in international foreign exchange markets and widely used in international transactions.

(b) Any order based upon this proposal must be submitted to the Company within thirty (30) days from the date of quotation. Prices quoted are net ex-works and do not include (unless specifically stated to the contrary) the amount of any sales, use, goods and services, value added, privilege, excise or similar taxes, whether local, state or federal, or any applicable customs or duties, all of which are the sole responsibility of the Customer.

(c) If the agreed delivery date shall be more than four months after the date of conclusion of contract, the Company's prices are subject to pro rata adjustment to take account of any variation in the Company's costs (beyond the reasonable control of the Company) including (but not limited to) variations in the cost of materials, labour, and/or overheads, exchange rate fluctuations, alteration of duties, changes to the specification by the Customer and other costs since the date of conclusion of this Contract. The Company accordingly reserves the right to adjust the invoice price by the amount (pro rata) of any increase or decrease in such costs after conclusion of this Contract and the invoice so adjusted shall be payable as if the price set out therein were the original contract price.

(d) If prices are not expressly agreed to by the Company and the Customer, then the Company will apply its list prices in force at the time the order is placed.

(e) If the Company agrees to be responsible for erecting or mounting the Product, then the Customer shall bear, apart from the agreed remuneration and unless agreed otherwise, all ancillary costs required, such as travelling expenses and costs of the transport of tools and of the personal luggage as well as daily allowances.

(f) The Company may charge interest on any sums still outstanding on the Due Date (default of payment) at the rate of 8% per annum above the base rate pursuant to § 247 BGB.

(g) The Company may require, in its sole discretion and subject to the individual agreement of the parties, that payment for export orders be by irrevocable letter of credit, which shall be in a form acceptable to the Company and confirmed by a German Bank of international reputation.

(h) If the Company becomes aware of the risk of Customer's impossibility to perform after the conclusion of this Contract, the Company shall be entitled to only make any outstanding deliveries against prepayment or the provision of security. If such prepayments or security have not been rendered even after the expiration of a reasonable grace period granted by the Company, it may, notwithstanding any further rights, partially or totally rescind individual or all contracts with the Customer. The Company shall be entitled to assert any further rights to which it may be entitled.

(i) In the event of Termination in accordance with clause 9 below the Customer hereby irrevocably licenses the Company (insofar as it is able) to enter upon the Customer's premises to repossess the Products.

7. WARRANTY

(a) In this clause "Warranty Period" shall mean the period beginning on the date of delivery of the Products (or relevant part thereof) and ending 24 months thereafter, except to the extent the Company specifies another warranty period in writing, and except where paragraphs 438, section 1, No. 2, 479, section 1 and 634a, section 1, No. 2 of the BGB provide for longer terms, and in the event of injury to life, body or health, in the event of intentional or gross breach of duty by the Company or fraudulent concealment of a defect. This shall not affect the statutory regulations concerning the suspension of the running of the periods of limitation.

(b) The Company warrants that the Products will be free from

material defects caused by inadequacy or neglect in the Company's workmanship or materials during the Warranty Period (the "Warranty").

(c) Save as provided for in sub-clauses (d) and (e) below, where any valid claim in respect of the Products or any part thereof which can be shown to the Company's reasonable satisfaction (on the balance of probabilities) to be based on a breach of the Warranty, is notified to the Company during the Warranty Period, the Company repair or replace, or may, if agreed with the Customer, credit a sum to be agreed with the Customer in lieu of the repair or replacement of, any Product or part thereof.

Claims under a right of recourse of the Customer against the Company shall only be admissible insofar as the Customer has not agreed with his customer on any arrangements beyond the scope of the statutory warranty claims. For claims under a right of recourse according to paragraph 478, section 2 of the BGB, the Customer may rescind the Contract or reduce the payment.

(d) In case of defects in the Company's deliveries, the Company must first grant warranty service, at its option, by rectification of the defect or delivery of replacement items (subsequent performance). If (i) such subsequent performance should fail; (ii) a defect has not been removed or a replacement not been delivered within a reasonable time period granted by Customer; (iii) should such remedy be unreasonable for Customer; or (iv) the Company refused such remedy according to section 439 subsec. 3 BGB, then the Customer can demand, at its option, either a reduction of the purchase price or the rescission of the Contract or it may claim damages pursuant to clause 8 or the reimbursement of his futile expenses.

A subsequent performance shall only be regarded as having failed after it has been attempted twice in vain. In case of a slight lack of conformity with the Contract, in particular, in case of minor defects, the Customer has no right of rescission.

(e) If the Customer returns a Product after having asserted warranty claims or requests that a Product be taken back by the Company with reference to warranty claims, the Customer shall notify the Company in writing whether and which health-hazardous fluids were used with the Product and whether the Product came into contact with health-hazardous fluids within the meaning of the hazardous substances law. The Company may refuse elimination of the notified defects if such substances have been used or been in contact with the returned Product, and the Customer shall be held liable for any loss or damage that may result from the Customer's failure to give notice. If the returned Product have used or been in contact with such hazardous substances, the Customer shall mark the Products as required by the hazardous substances law and transport the Products exclusively in suitable packaging and by adequate means of transport.

(f) The Company shall be under no liability for any breach of the Warranty if and to the extent:-

i. Such breach is caused due to the Products not having been properly installed, used, maintained and serviced by a party other than the Company;

ii. The Customer has failed to inform the Company of the defect alleged within the Warranty Period and/or within 10 days of its discovery; and/or

iii. The defect of the Product is caused by wear and tear in particular with respect to consumable parts.

(g) In the event of a defect arising in the Products at any time then the Customer will notify the Company in writing of such defect without undue delay and in any event within 10 days of its discovery and:

i. If it is within the Warranty Period then the Company will reply stating whether it accepts warranty liability pursuant to sub-clause (c)-(e) above and indicating what action it proposes to take (which action may include further investigation by the Company's service engineer) and if it transpires that the defect is not covered by a breach of the Warranty and if this was known by or evident for the Customer, then the Company reserves the right to make a reasonable charge for such investigation.

ii. If the warranty claim is made after the Warranty Period has expired, then, without prejudice to clause 8(b), the Company will offer advice (free of charge) and may offer repair or replacement at the Customer's expense.

8. LIMITATION OF LIABILITY; FORCE MAJEURE; INDEMNIFICATION FOR INTELLECTUAL PROPERTY INFRINGEMENT

(a) Subject to the provisions in clause (b) below, the Company's statutory liability for damages shall be limited as follows:

i. For damages caused by a slightly negligent breach of a material contractual obligation the Company shall only be liable up to the amount of the typically foreseeable damage at the time of entering into the contract;

ii. The Company shall not be liable for damages caused by a slightly negligent breach of a non-material contractual obligation.

(b) Nothing in these terms shall exclude or limit the Company's liability where there is mandatory liability, e.g., according to the law on product liability or in the event of willful misconduct, gross negligence, injury to life, body or health or if and to the extent the Company has undertaken a guarantee.

(c) Notwithstanding anything to the contrary in these terms, neither party shall be liable to the other for breach of its obligations under this Contract by reason of circumstances or events beyond the control of either of them (force majeure) for which the breaching party is not responsible (for instance Acts of God, war, riots or natural disasters).

(d) The Customer shall indemnify the Company against all actions, suits, claims, demands, costs, charges, damages, losses and expenses suffered or incurred by the Company for which the Company is not responsible and/or for which it may be liable to any third party due to: (i) the Customer's instructions; (ii) any failure or delay whatsoever in taking delivery or any other act, neglect or default on the part of the Customer, its servants, agents, or employees, to the extent the Customer is responsible for their conduct; or (iii) the culpable breach of any provision of this Contract by the Customer.

(e) The Customer shall indemnify and keep indemnified the Company against all costs, claims, losses, expenses and damages incurred by the Company or for which it may be liable to any third party due to or arising directly or indirectly out of any infringement or alleged infringement of patents, trademarks, copyright, design, right or other intellectual property right occasioned by the importation, manufacture or sale of the Products if made to the specification or special requirement of the Customer.

9. CANCELLATION AND TERMINATION

(a) In the case where the Products are being designed or adapted to a Customer's specific requirements, then the Customer shall be entitled to cancel this Contract ("Cancellation"), but shall be obliged to pay to the Company the agreed purchase price less expenses not incurred by the Company as a result of the Cancellation.

(b) The Company shall be entitled forthwith to terminate this Contract if at any time before payment in full is made (whether or not payment is yet due) a petition is presented or resolution passed for the winding up or bankruptcy of the Customer or in the event of the appointment of a receiver or administrator of the Customer's business ("Termination").

(c) In the event of Cancellation or Termination other than as provided in sub-clause (a) above, the Customer shall be obliged to pay to the Company such amounts as are required by applicable German law as a result of such Cancellation or Termination (for example, damages incurred by the Company due to the Cancellation or Termination).

(d) Reshipments must always be announced to the supplying plant first. After receipt of return notification, products can be shipped to the plant quoting the return number received. Reshipments of new products may result in a 15% handling charge. If used products are returned, the costs of reworking will additionally be deducted from the credit note.

10. DISPUTE RESOLUTION

The parties shall attempt to resolve all disputes arising under or in connection with this Contract by good-faith negotiations by knowledgeable, responsible representatives of each party who are fully authorized to settle any such dispute. Either party shall be entitled to declare failure of such mediation at any time at its own discretion. If mediation fails, then such dispute shall be finally settled according to the Arbitration Rules of the German Institution of Arbitration e.V. ("DIS") without recourse to the ordinary courts of law. The place of arbitration shall be Bad Neustadt, Germany and the arbitral tribunal shall consist of one arbitrator. The substantive law of Germany is applicable to the dispute. The language of the arbitral proceedings is German, unless otherwise agreed. Each party shall bear its own costs of these procedures; the parties shall equally split the fees of the arbitration and the arbitrator. Notwithstanding the above, either party shall have the right to seek a temporary restraining order or an injunction related to the purposes of this Contract, to compel compliance with confidentiality obligations, or to file suit to compel compliance with this dispute resolution process.

11. GENERAL

(a) The UN Convention on Contracts for the International Sale of Goods of 11 April 1980 shall not apply to this Contract.

(b) If any provision or part of a provision of these terms is found to be illegal, invalid or unenforceable under any applicable law, such provision or part of a provision shall, insofar as it is severable from the remaining terms, be omitted from these terms and shall in no way affect the legality, validity or enforceability of the remaining terms.

(c) Only variations or modifications to the Contract which are made in writing signed by Customer and Company shall be enforceable.

(d) The Customer may not assign, novate or otherwise transfer its rights or obligations under this Contract without the Company's prior written consent, and any attempt to do so shall be null and void and of no effect. Section 354a HGB shall remain unaffected hereby.

(e) Any failure by the Company to enforce its rights under this Contract will not be deemed a waiver of such rights.