

Leasing Terms and Conditions of OTT Hydromet GmbH

Status: July 25, 2011

1 General Terms

The following Leasing Terms and Conditions set forth the legal foundations for the leased object(s) between OTT and the customer. The leased object shall not be provided to any third parties for utilization in the absence of the prior written consent of OTT.

2 Term of the Lease

The Lease Agreement shall be rendered effective upon provision of the leased object to the customer. In the event that the leased object should be shipped, the start date shall be determined by the date of receipt stipulated in the delivery note and in the event of self pick-up the date the item was picked up. The Lease Agreement shall end upon return of the object to OTT. To that end, the applicable date shall be the date of actual return delivery or if the item is brought to OTT, the date of surrender, regardless of the lease end date stipulated in the Lease Agreement.

This shall be without prejudice to the right to terminate extraordinarily. OTT shall in particular have the right to terminate extraordinarily if the customer should be in default of the whole or partial payment due for more than 20 days or if the customer should fail to handle the leased object properly.

3 Payment Terms

The customer shall be billed for the leasing rates after the end of the Lease Agreement. In the event that the lease should extend beyond a single month, the billing cycle shall be monthly. The payment due date shall be stipulated in the invoice. In the event of delayed payment the customer acknowledges that a notice fee in the amount of € 5 shall be charged for each notice sent and a payment of late payment interest in the amount of 7 % shall be due as of the due date.

4 Use of the Leased Object

OTT shall be required to provide the leased object in proper condition. The costs of maintenance and repairs for natural wear and tear shall be borne by OTT.

For damages that result in particular from inappropriate use, neglect or negligent maintenance and operation, loss as a result of theft, accidents, unauthorized or prohibited use, vandalism, losses or damages caused by improper packaging or damages caused by the freight forwarder/transportation services provider during the shipment of the units shall be for the account of the customer. The customer shall also assume liability for customer's executives and other agents. Moreover, the customer shall assume liability for the risk of accidental destruction of the leased object.

In such cases, the customer shall nonetheless be required to pay any agreed upon leasing fees. OTT shall be notified in writing of a damage causing incident immediately after it has occurred. At the discretion of OTT, the customer shall undertake, by the deadline set, to return the leased object into its contract compliant condition at OTT at customer's expense or to pay damage compensation in the form of any and all potentially still pending leasing fees and shall reimburse the fair market value of the unit to OTT. In the event that the leased object should not be returned to OTT in clean condition, OTT reserves the right to charge a lump sum cleaning fee of € 75.

Incidentally, OTT shall not assume any liability for the loss of any data in connection with the leased object.

The customer shall absorb all costs incurred for the shipping and packaging of the leased object directly.

5 Other Obligations of the Customer

The customer shall not be permitted to loan out the leased object; nor shall the customer be allowed to sub-lease it or assign any rights arising from this Agreement or grant any rights inherent in the leased object whatsoever. In the event that the customer should breach this provision, the customer shall be required to bear the costs for a recovery of the leased object and in the event that it should be impossible to return it, pay damage compensation equal to the new acquisition price of the leased object. In the event that the customer should render proof of lesser damages incurred, the customer shall reimburse said damages.

The customer shall obtain insurance coverage for the leased object at customer's expense. OTT shall be named as the beneficiary in the leasing policy in the event of loss.

6 Purchase Option

The customer shall be entitled to the following purchase option:

70 % of all leasing fees paid may be set off against the purchase price of the leased unit. It shall not be possible to set off the leasing fees paid for several units against the purchase price of a single unit.

35 % of all leasing fees paid may be set off against the purchase price of a new unit. Once again, it shall not be possible to set off the leasing fees paid for several units against the purchase price of a single new unit.

7 Other Provisions

For any deviating agreements or additions to these Leasing Terms and Conditions to be effective, same shall be made in writing.

In the event that one of the provisions of this Agreement should be ineffective, this shall not affect the effectiveness of the remaining provisions.

The customer shall not be entitled to any withholding rights. The customer shall not be permitted to set off any receivables due to the customer.

In the event of any litigation arising from the business relationship, the agreed upon place of jurisdiction shall be Kempten/Allgäu, Germany, which shall also be the agreed upon place of fulfillment.

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