

Prof. Dr. Holger Buck

International Sale Agreement

pursuant to the United Nations Convention on Contracts for the International Sale of Goods¹

by and between

X GmbH (a German GmbH with registered office in Germany) - hereinafter referred to as „X”-

and

Y S.A. (a French S.A. with registered office in France) - hereinafter referred to as „Y”-

Article 1. Contract Products, export Permit

(1) X agrees to sell to Y, and Y agrees to buy from X, a sorting machine type SM 3 which is further detailed in Appendix 1 to this agreement (the „Contract Product”).

(2) X agrees to use its best efforts to obtain an export permit if required. X does not guarantee that an export permit will be granted. X is not aware of any circumstances that would prevent the issuance of an export permit. Y assumes responsibility for obtaining an import permit if necessary.

Article 2. Delivery, Transportation

(1) X undertakes to deliver the Contract Product Free Carrier (FCA – INCOTERMS 2000) Stuttgart by March 30, 2004. Y shall select and inform X of the name of a common carrier for delivery by March 30, 2004.

(2) If the delivery time limit is exceeded, Y shall be entitled to legal remedies only after Y has given X a reasonable time of cure. If the period to cure has expired without delivery being made, then Y may immediately terminate the agreement or claim damages as permitted by law and limited by paragraph (3) of this article.

¹ Source: *Semler*, in: Münchener Vertragshandbuch Band 4 III, current edition, Munich: C.H. Beck

(3) X is not liable for damages resulting from the failure to timely deliver in so far as such failure is a result of circumstances beyond the control of X or which cannot be overcome by X using its commercially reasonable efforts, in particular because of natural disasters or other cases of force majeure, governmental interference or employment disputes.

(4) Y's right to terminate this agreement shall not be impaired by these conditions.

Article 3. Purchase Price, Payment

(1) This purchase price is € 975,000.

(2) Payment shall be due 60 days after Y's receipt of a notice that X has delivered the Contract Product to the common carrier. If payment is not made when due, X shall be entitled to interest on the purchase price at a rate of ... basic points p.a. above the main refinancing rate of the European Central Bank (ECB), or to compensation for damages resulting from the payment delay, if greater.

Article 4. Retention of Title

X retains to the Contract Product until complete payment of the purchase price and additional claims, if any, is made.

Article 5. Warranty

(1) X warrants that the condition of the Contract Product, at the time of delivery to the common carrier, will conform to the specifications set out in Appendix 1.

(2) Y must examine the Contract Production within 7 days of receipt from the common carrier for any lack of conformity and give notice of any such lack of conformity to X within additional 7 days. Should any non-conformity of the Contract Product only be discoverable later, then the period of notification of the non-conformity shall commence upon discovery.

(3) If the Contract Product is non-conforming, Y shall have the right to demand repair. If X refuses to repair, or if attempts to repair have failed and it is not reasonable to subject Y to further attempts to repair, then Y shall have the right to either terminate the agreement or demand a reduction of the purchase price.

(4) These are Y's exclusive remedies for breach of the agreement due to the delivery of a non-conforming Contract Product. In particular, Y does not have any right to claim damages claims because of non-conformity of the Contract Product or to any claim for damages to persons, objects or assets of Y arising from the non-conformity of the Contract Product.

Article 6. Written Form, Partial Unenforceability

(1) Any amendments or additions to, or the bilateral termination of, this agreement must be in writing. Notices delivered via facsimile or other means of electronic transmission shall satisfy the requirement of writing. The same shall apply to any other declarations of the parties that are necessary for the substantiation, assertion or exercise of their rights, in particular notices of non-conformity, setting of deadlines, or unilateral notices of termination.

(2) Should any one or more of the provisions of this agreement be unenforceable, the parties shall agree on (a) replacement provision(s) that comes as close as possible to the commercial meaning and purpose of the unenforceable provision(s).

Article 7. Jurisdiction

The competent court of the domicile of X shall have jurisdiction over all disputes in relation to this contract. Each contracting party is also allowed, however, to bring an action against the other contracting party in the jurisdiction generally applicable to such other contracting party.

Article 8. Applicable Law

The legal relationships of the parties shall be governed by German Law with the inclusion of the United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods.

Done at.... on the

(signature X GmbH)

(signature Y S.A.)