

## 1. General Terms – Area of Validity

- (1) We supply exclusively on the basis of the following terms and conditions of sale. We explicitly counter the customer's business and purchase conditions. We are only obliged to observe them insofar as we explicitly declare our agreement in writing. Our terms and conditions of sale are also valid even if we have knowledge of the customer's contradictory or deviating conditions when completing delivery.
- (2) All agreements reached between us and the customer for the purpose of fulfilling this contract are to be determined in writing in the contract. Our terms and conditions of sale are only valid with relationship to persons as defined by § 310 I S. 1 BGB (German Code of Civil Law) (entrepreneurs, legal persons under public law or public special assets).
- (4) These terms and conditions of sale are also valid for all future business with the customer.
- (5) Our relevant current terms and conditions of sale are valid.
- (6) Should any one condition of this contract with the customer including these general terms and conditions of sale be or become completely or in part ineffective, the validity of the other conditions shall not be affected. The completely or partially ineffective ruling shall be substituted by a ruling which comes as closely as possible in its economic effects to the ineffective ruling.

## 2. Offer – Documents – Tools

- (1) Our offers are subject to change without notice insofar as not otherwise determined in writing. Agreements reached orally through our field staff require our written approval to become effective.
- (2) We reserve the right to accept offers within a time limit of 4 weeks. The acceptance will be declared either in writing or by supply of the goods to the customer.
- (3) Samples, details and other documents concerning our goods (technical data, measurements etc.) are only approximate and not exact; they are no guarantee of specifications, unless such a guarantee is confirmed explicitly and in writing.
- (4) We retain ownership rights and copyright to all samples, drafts, calculations and other documents we provide; it is not permitted to make them accessible to third parties. This applies in particular to such documents that are marked "confidential". The customer requires our written approval before passing them on to a third party.
- (5) If we make parts according to the customer's specifications the drawings that we make, and that are approved by the customer, are decisive. If the customer has approved of the drawings or samples then any variations are subject to special agreement and any additional costs thus occurring are to be born by the customer.
- (6) Tools and equipment that we make shall remain our property – irrespective of the calculation of proportionate costs. We accept the obligation to keep the tools for three years after the last consignment. If prior to termination of the period the customer definitely informs us of his intention to place further orders within one year, then we are also obliged to retain the tools. Otherwise we are free to dispose freely of the tools and equipment.

## 3. Prices – Terms of Payment – Default of Payment

- (1) The agreed conditions for payment shall apply exclusively. The prices we quote are to be understood as ex works if not otherwise agreed in writing. Packing will be charged separately according to outlay. We can conclude transport insurance as required by the customer and at the customer's expense.
- (2) Statutory value added tax is not included in our prices; the tax is quoted separately in the invoice taking into consideration the relevantly valid rate.
- (3) Deduction of discount must be agreed in advance in writing.
- (4) Bills of exchange and cheques – also surrender of cheques with finance bills – will only be accepted as conditional payment. Bank charges, discount and collection fees are to be born by the customer. Payments on the basis of bills of exchange and cheques shall not be considered as completed until the final credit of the relevant amount has been registered on our account, and, in the case of the surrender of cheques with finance bills, not before collection of the bill.
- (5) We are entitled to raise the agreed price if our suppliers' prices or other costs pertaining to our goods (including public charges) are increased between conclusion of the contract and delivery; otherwise the price quoted in the confirmation of the order is valid. Price increases shall become effective as soon as we pass them on in writing to the customer.
- (6) The customer's reservation rights, based on other contractual relationship, are excluded. The customer's reservation rights based on the same contractual relationship are also excluded insofar as counter claims are disputed or are not subject to a legally binding decision. The customer is not entitled to set off a counter claim insofar as this liability is disputed or is not subject to a legally binding decision.
- (7) Should the customer default on payment then we are entitled to charge interest amounting to 8% above the relevant basic rate of interest. We reserve the right to prove and claim higher default compensation. The customer must prove that we have suffered less or no default damage.
- (8) Should the customer be in default of due complete or partial payment, then we are entitled to withdraw from the contract should payment not be completed after a reasonable extension. Our right to withdraw shall also apply if circumstances become known that reduce the customer's creditworthiness. Should we withdraw then we are entitled to have the goods we supplied, marked, stored separately and returned at the customer's expense. The customer shall grant agreement in advance for those persons commissioned by us for this purpose to enter the premises and make use of vehicles, where the goods are located.
- (9) As an alternative to our rights to withdrawal as defined by item (8) we can require security from the customer.

## 4. Delivery Dates, Default, Right of Retention

- (1) Our delivery dates are as a rule only approximate and not binding. Agreements of a different nature concerning definite delivery dates must be made explicitly and in writing. If we are unable to complete delivery on time we will inform the customer immediately.
- (2) Agreed definite delivery dates shall not commence prior to final clarification of the last questions relevant to the consignment.
- (3) We are not responsible for delays in completion that are due to failure by the customer to fulfil obligations to co-operation. If dispatch is delayed due to circumstances within the field of responsibility of the customer,

expenses incurred by third parties or ourselves for storage will be charged as from 14 days following notification of readiness for dispatch. If an extension we granted remains fruitless we are entitled to dispose otherwise of the subject of the consignment and to supply the customer after a reasonable extension.

- (4) Should the customer be in default of acceptance or should he breach other obligations to co-operate, then we are entitled to demand compensation for the damages we incur, including any extra expenses. In this case the risk of accidental loss or incidental deterioration shall pass to the customer from the time the customer is in default of acceptance.
- (5) Should we be delayed in completing the consignment for reasons within our responsibility then the customer is entitled to demand reasonable compensation for the delay taking into consideration the value of the consignment. If in the course of the delay, which is our responsibility, the customer grants in vain a reasonable extension then he may withdraw from the contract.
- (6) Unforeseen incidents outside our responsibility (as for example shortage of energy, delay in supplying important components and other materials, import difficulties, operation or transport disruptions, strikes, lock-outs, acts of God) shall lead to a reasonable extension of delivery dates. Should we, nevertheless, not be able to complete performance after a reasonable extension then both the customer and ourselves are entitled to withdraw from the contract. Claims to compensation by the customer shall be excluded. Should we withdraw from the contract then we will immediately refund the customer all payments already made.
- (7) The above detailed limitations of liability in sections (5) and (6) do not apply insofar as a firm commercial deal was agreed on or if the customer can claim that his interest in completion no longer exists due to the delay we are responsible for.

## 5. Transfer of Risks

- (1) The risk of incidental loss and incidental deterioration of the goods shall pass to the customer on surrender, in the case of dispatch on surrender of the goods to the transport company, the carrier or to the customer if some other person or organisation is assigned with completion of delivery.
- (2) If dispatch is delayed on request by the customer or if the goods are not accepted for reasons outside our responsibility, then risk shall be transferred to the customer from the time of notification of readiness for dispatch. The customer shall bear the costs of storage.

## 6. Liability and Warranty

- (1) The customer must inspect the goods received to check they are complete and to establish transport damage, obvious defects, quality and characteristics and notify the seller in writing immediately, however, at the latest 4 weeks after delivery. The entrepreneur bears the full onus of proof for all conditions for claims, in particular for defects themselves, for the date of establishment of the defect and submission of complaint within the time limit.
- (2) The seller is not obliged to satisfy warranty claims if the customer fails to submit notification of complaint on time and in writing. Insofar as the goods show defects for which the seller is responsible and the customer submits the complaint in time and in writing, we are – excluding the customer's rights to withdraw from the contract or to reduction of the purchase price – entitled to rectify the situation, unless we are entitled to refuse rectification on the basis of legal regulations. The customer must grant us a suitable extension to rectify each individual defect.
- (3) The customer may choose rectification in the form of removal of the defect or delivery of new goods. We are entitled to refuse the customer's choice if completion is only possible with unreasonably high costs. During rectification the customer is not permitted to reduce the purchase price nor withdraw from the contract. Rectification shall be accepted as failed after the second attempt. If rectification fails, or if we generally refuse to carry out rectification, then the customer may demand either a reduction in the price or withdraw from the contract. The customer shall only have no right to withdrawal in the case of minor defects.
- (4) The warranty period shall be one year as from delivery of the goods.
- (5) The customer may only lay claim to compensation for defects under the following conditions if rectification has failed or we have refused rectification in general. The customer's right to submit additional claims for compensation under the following conditions shall remain unaffected.
- (6) We bear liability on the grounds of our own intentional and grossly careless actions as well as for those of our salaried employees and other employees, members of our staff, other legal representatives and vicarious agents.
- (7) Furthermore, we bear liability on the grounds of cases of negligent breach of such contractual obligations that are absolutely necessary for the fulfilment of the purpose of the contract (so-called cardinal obligations or duties); in such cases we are also liable for careless actions by our vicarious agents. However, liability in these cases is limited to such damage that is typically connected with the contract and is foreseeable.
- (8) Additional claims by the customer, apart from the above named cases, are excluded irrespective of the legal grounds. For this reason we are not liable for damage that is not incurred on the goods themselves and not for other damage to the customer's property.
- (9) We are liable to the full amount of damages only for our own gross negligence and that of our legal representatives and managers. Moreover, liability is limited to the amount for substitution of typical, foreseeable damage.
- (10) Insofar as our liability is excluded this also applies to the liability of our salaried employees and other employees, members of our staff, other legal representatives and vicarious agents.
- (11) All the above limitations of liability do not apply in the case of injury to life and limb or health. Furthermore, neither do they apply in the case of complaints on based malicious concealment of a defect nor on the acceptance of a guarantee in this connection.
- (12) The liability based on the provisions of the Produkthaftungsgesetz (German Code for Product Liability) remains unaffected.

## 7. Retention of Title

- (1) The goods we supply shall remain our property until all claims are fulfilled that are due to us for any legal reason in the framework of the business relationship with the customer. Should the buyer fail to comply with a date for payment or breach other contractual agreements, or if circumstances come to our knowledge that are likely to reduce the

buyer's creditworthiness, then we are entitled to forbid resale of the reserved goods, to demand return of the goods or concession of direct possession at the buyer's costs, or, if the goods have already been resold, but paid for completely or partially, to demand direct payment from the buyer's final customer. Taking back the goods does not constitute withdrawal from the contract unless we declare withdrawal explicitly in writing. Having taken the goods back we may dispose of them; the proceeds from the sale is to be deducted from all the customer's liabilities – less reasonable utilisation costs.

- (2) The customer shall accept the obligation to treat the goods with care, and to insure them adequately against fire, water and theft to the equivalent value of newly bought articles. Insofar as maintenance and inspection work is necessary, then the customer must carry such work out regularly at his own expense.
- (3) The buyer is obliged to inform us immediately of seizure or any other impairment by a third party. Insofar as the third party is not in a position to pay us the extra-judicial and court fees as defined by § 771 ZPO (German Code for Civil Proceedings), the customer shall bear liability for any losses we incur.
- (4) Furthermore, the customer shall accept obligation only to sell the reserved goods in regular business transactions under the customer's normal general terms and conditions of sale and as long as he is not in default of payment. He is only entitled to resell the reserved goods under the condition that all claims from resale amounting to the invoiced amount (including value added tax) shall be passed on to us according to the following conditions.
- (5) Surrender shall take place independently of whether the goods were processed or not prior to resale, whether the reserved goods are sold to one or several buyers. However, the customer shall still be entitled to collect the surrendered claims from resale until we declare revocation, possible at any time. Our authority to collect the claim shall remain unaffected. However, we accept obligation not to collect the claim as long as the customer complies with his obligations to payment from the agreed proceeds, is not in default of payment and in particular, no application for the opening of bankruptcy proceedings has been submitted or insolvency has been established. If this is the case, however, then the customer is obliged to inform us of the surrendered claims and the names of his debtors, to pass on all details needed for collection, to surrender the corresponding documents and to inform the debtors of the surrender.
- (6) Processing or refashioning of the product will always be done for us. If the goods are processed together with other goods that are not our property, then we shall acquire joint ownership of the new article in relationship of the value of the goods to the other processed objects at the time of processing. Moreover, the same applies to processed article as to the goods sold under reservation.
- (7) Should the goods be mixed inseparably with other objects that are not our property, then we shall acquire joint ownership of the new article in relationship of the value of the goods to the other mixed articles at the time of mixing. Should mixing take place so that the customer's article is recognised as the main one, then we shall agree that the customer shall transfer proportional joint ownership. The customer retains the thus created sole or joint ownership for us.
- (8) To secure our claims the customer shall also surrender such claims to us to which he is entitled from a third party through the connection of the goods with real estate property.
- (9) The customer is on no account entitled to surrender the claim.
- (10) Neither is he entitled to dispose of the reserved goods in any other manner.
- (11) As we may require the buyer is obliged to inform his customer immediately of surrender to us – insofar as we do not inform the buyer's customer ourselves – and to provide us with documentation, as well as to forward the information and documents required for collection of the surrendered claim together with the documentation.
- (12) As required by the buyer we are obliged to release securities insofar as the realisable value of the securities exceeds our claim by more than 20%. We reserve the right to select the securities to be released. Calculation of the realisable value shall be based on the relevantly agreed purchase prices plus value added tax insofar as no other method of calculation is indicated.

## 8. Special Condition for Services

- (1) The above conditions apply corresponding to all services (maintenance work, surveying, material inspection etc.) provided in excess of sale and delivery of the goods insofar as not otherwise detailed in the following.
- (2) Time limits agreed as definite shall not commence prior to final clarification of the last questions relevant to performance. Our obligation to completion shall be reasonably extended insofar as the originally agreed scope of performance is increased.
- (3) We shall inform the customer of completion of performance on our part. Receipt of the invoice shall count as notification. The customer shall accept obligation to accept delivery of the consignment within a week of receipt of the invoice.
- (4) On acceptance of the consignment the invoiced amount is due and to be paid without deduction.
- (5) Defects are to be reported in writing without delay and to be marked as such. Claims under warranty for service and works performance shall be valid for one year on completion or acceptance.

## 9. Final Conditions

- (1) Place of fulfilment and jurisdiction – also for bills of exchange and cheque procedures – shall be the headquarters of our company for both parties to the contract. However, we reserve the right also to bring charges against the customer at his seat of business.
- (2) German law shall also apply exclusively to deliveries abroad. The application of UN purchase law is excluded.
- (3) The customer accepts obligation to release us from all claims that may ensue due to exporting our goods insofar as we do not explicitly supply them for export.