

1. General

- a. The following conditions are an integral part of all our tenders and contracts for supply and services, covering current and future business transactions.
- b. Different or supplementary agreements, particularly general business conditions of our purchasers, as well as special agreements require our written consent to become valid.

2. Product Specifications

- a. Our tenders and offers refer solely to specifications contained in the tender request documentation and conform to industry standard tolerances where the tender document does not specify. Amendments to specification or production processes shall be notified according to the agreement reached with the purchaser or when the product integrity warranty is affected.
- b. We are not obliged to check the specification, assumptions and/or legality of the purchaser's tender request documentation; this is the sole responsibility of the purchaser. This applies in particular where liability for a possible infringement of commercial rights may be involved.

3. Documentation

We retain the property rights, copyright and commercial protection of all documentation made available to the purchaser. Such documentation cannot be used for purposes not pursuant to the contract, in particular cannot be copied or made available to third parties without our prior agreement. If requested, they must be returned to us without delay.

4. Prices and Payment Provisions

- a. All prices are ex works, excluding shipping costs, packaging, insurance and the prescribed applicable value added tax (MWSt.).
- b. One-way packaging will be charged at cost-price and cannot be returned.
- c. We reserve the right to increase contract prices by a commensurate amount after prior consultation with the purchaser when price-determining factors, such as costs for raw materials or labour, means of production or similar, unexpectedly increase after contract acceptance and when the period of time between contract acceptance and delivery exceeds four months.
- d. Payments are due 14 days after receipt of the account with a discount of 2% or net at 30 days unless agreed to differently.
- e. All prices are in EURO unless stated differently.
- f. Should we learn, after signing the contract, of circumstances that raise considerable doubt as to the ability to pay or the credit rating of the purchaser (i.e. non-payment of the account for longer than 14 days, delayed clearance of bills of exchange or cheques) we further reserve the right to refuse contracted delivery/service until the purchaser has remitted due payments – including due payments for other current business transactions – or has provided adequate security.

5. Supply Schedules and Deadlines

- a. Schedules to supply begin with the date of our acceptance of the contract in writing, or confirmation, but not before the purchaser has fulfilled all necessary preconditions (i.e. agreed confirmation of financing) or before all due payments have been received.
- b. Extensions to delivery schedules are reasonable in case of contract variation or amendment or when a purchaser does not respond within the required time to fulfill his contractual duties.
- c. Delivery schedules and deadlines are only binding if they have been expressly agreed to in writing. Acts of God and other extraordinary circumstances, in particular

labour disturbances, national emergencies, whether these disturbances affect us or our suppliers, free us from the requirement to deliver the goods or perform the service, either for the duration of the difficulties or even permanently, if the performance of the service is permanently impeded. Any agreed contractual penalty does not apply in these circumstances.

6. Transport Risks

- a. All deliveries are ex works (Incoterms® 2010) and transport risk is at cost to the purchaser. The transport method is a matter of our choice or as requested by the purchaser.
- b. The transport risk, even if we agreed to delivery without freight, transfers to the purchaser as soon as goods have been handed over to the transport service or driver and in any case as soon as the goods leave our works or store. Should the acceptance of goods be delayed due to a lack of readiness of the purchaser, transport risks are transferred to the purchaser even if the purchaser's inability to receive becomes evident after our readiness to deliver. If requested by the purchaser we will insure the delivery against breakage, transport and fire damage or other purchaser requested risks.

7. Reservation of Title

- a. The delivered goods remain our property (reserved property) until full payment has been effected (i.e. only after bills of exchange or cheques have been cleared and deposited) and all claims, whatever their legal basis, resulting from the business transaction have been fulfilled. Further, this also applies to future or conditional claims in respect to contracts arising from business transactions agreed to at the same time or later. In case of account customers the reserved ownership serves to secure our claims on the current account.
- b. Further treatment or processing of the reserved ownership goods by the purchaser may be carried out under § 950 of the Common Law of Germany (BGB), without implying any obligation by us, the manufacturer.
- c. The treated or processed goods or services shall be considered as reserved property to secure our claims as per clause 7.a. When reserved property is re-processed or becomes a part or component in conjunction with other goods, not owned by us, the resultant product is owned by us to the extent or proportion of the book value of the reserved property in proportion to the other used goods. In case that our property rights to the reserved property are extinguished after combination or incorporation, the purchaser undertakes to transfer his newly acquired property rights to the extent of the value of the contained reserved property and manages it with professional propriety free of charge. Any joint ownership thus generated serves to secure our claims as stated in clause 7.a.
- d. The purchaser may trade normally with any of the reserved property as long as the purchaser has not defaulted with any due payments and provided he complies simultaneously with the clauses in clauses 7.b. and 7.c respectively concerning the re-sale of reserved property and our property claims. The purchaser is not entitled to make any other use of the reserved property, particularly to pawn, mortgage or use the reserved property as security. The above rights (to normal trading) may be withdrawn by us in case of default of payments or in case of non-compliance with current obligations. Should these rights be withdrawn the purchaser is no longer permitted to treat or process the reserved property or combine or incorporate the said property with other goods.
- e. Any claims and other rights, including any rights of the purchaser in respect to the re-sale of reserved property shall be transferred to us at once at the time of signing

this agreement; we accept the transfer herewith. Our acceptance serves in like manner to the reserved property clauses to secure our claims. If the purchaser, together with other goods not supplied by us, disposes of reserved property, the billed value for the reserved property in respect to the value of the other goods shall be credited to us. If goods are sold in which we have a joint property claim according to clause 7.c our respective portion of the joint property shall also be credited to us.

- f. The purchaser has the right to collect due amounts from the re-sale of reserved property, as long as the right to re-sell reserved property is not withdrawn and the purchaser remits due payments to us and does not renege on major contractual duties. The purchaser does not have the right to transfer or pawn any demands to a third party, including the sale of outstanding bills to a factoring bank. The purchaser must inform us without delay if our rights are infringed by a third party by handing over any necessary documentation for an intervention. Any costs due to the intervention are chargeable to the purchaser.
- g. It is the duty of the purchaser to inform us as to the stock of the reserved property and billed value of the claim, if the right to re-sell reserved property has been withdrawn or the power of direct debit has been cancelled. Inasmuch we do not take action ourselves, the purchaser must inform his customers of our interest and surrender necessary documentation to affect a transfer. Furthermore, we have the right to demand the return of the reserved property and further demand the transfer of our claims and all other demands, if the purchaser has defaulted with payments by more than two weeks. And further, we can utilize the reserved property to satisfy our demands as soon as we have rescinded the contract or the pre-conditions for the enforcement for compensation in place of or in addition to contract expectations. The enforcement of the property rights, in particular the return of the reserved property, only constitutes a valid cancellation of the contract if expressly stated by us in writing. Under the conditions stated above the right of the purchaser to the reserved property is extinguished. In the cases outlined, we are entitled to enter the premises of the purchaser, after prior notification and setting a deadline, to take possession of the reserved property.
- h. We are obliged to hand over securities of our choice at the request of the purchaser, if the value of the total of redeemable securities held exceeds the secured demands by more than 10 percent.

8. Liability Limitation for Material Defects

- a. The purchaser must check goods for possible defects immediately after acceptance. Obvious defects should be reported to us in writing within 5 working days after acceptance, and hidden defects with 5 days of discovery of the defect.
- b. Defects, which have been reported to us within 12 months after risk transfer, will be made good or replaced as we see fit. To this end we are entitled to attempt repeated repairs and must receive adequate time and opportunity.
- c. The purchaser has the right to cancel the purchase agreement or demand compensation (price reduction), should the defect not be rectified within adequate period of time.
- d. For defects, which should have been detected by the purchaser without much inconvenience before inclusion or processing, all claims to liability for material defects are voided as soon as the goods have been processed or included.
- e. Goods, which have been manufactured according to the purchaser's drawings or specification, are covered by a product warranty covering only the execution of the order according to the specification; however, mandatory

warranties under product liability legislation as well as protection from intent and gross negligence still apply.

- f. Any liability for material defect is not applicable to normal wear and tear or any damage suffered by faulty and negligent treatment after acceptance, or by usage outside their specification or contractual intent.
- g. A liability for material defects, which do not or insignificantly impair the value or usability, is also excluded.
- h. A right to referred warranty provisions according to §§ 478, 479 of the Federal German Law (BGB) exists only to the extend of a rightful claim by the consumer and to the limit of statutory provisions, but not for any arrangement of goodwill made with the supplier and suppose the exercise of the obligation of the party holding rights to referred warranty provisions to report any deficiencies.

9. Limitation of Liability

- a. All claims of the purchaser as to costs and damages, - whatever the legal basis, even such claims originating from illegal action of for compensation for defects or damages resulting from defects, for culpable infringement of contractual duties or suffered financial loss - are inadmissible.
This does not apply, however, should we, or a senior employee or contractor be accused of culpable intent, gross negligence, injury to life, body or health, or where a liability of a major breach of contractual duty or product liability legislation is mandatory.
- b. In case of a major breach of contract by us, which do not involve intent or gross negligence or injury to life, body or health or product integrity warranty, damages are limited to anticipated amounts for this type of contractual situation.
- c. Any materials supplied by the purchaser to us to be used in the manufacture of products ordered by the purchaser are only insured by us against theft. A liability to cover the disappearance or deterioration of such material applies only in case of intent or gross negligence.
- d. Advice given to the purchaser in particular concerning the use of ordered goods are only binding if they have been rendered or confirmed in writing.
- e. The legal rules regarding proof apply.

10. Intellectual Property Right and Title

- a. In case we have to deliver on drawings, models, samples or using parts supplied by the purchaser, the purchaser is responsible for ensuring that rights of third parties are not violated in the country of destination of the goods as a result. We will advise the purchaser of rights known to him, but are not obliged to own searches. The purchaser shall indemnify us from any third party claims on first demand and pay compensation for the damage caused. Should a third party prohibit us from manufacturing or delivery by relying on its property rights, then we are - without examining the legal position - entitled to suspend work until legal clarification by the purchaser and the third party. Should continuation of the contract because of the delay not be reasonable for us, we are entitled to withdraw.
- b. Drawings and samples, which have not led to an order will be returned upon request, otherwise we shall be entitled to destroy them three months after quotation. This obligation applies to the purchaser also. The party entitled to destroy has to inform the other party of its intention to destroy in time.
- c. The ownership, copyright and any intellectual property right - in particular use and exploitation right for models, molds and equipment, designs and drawings designed by us or on our behalf by a third party - belong to us. Upon request, the purchaser shall give the documents, patterns or models, including all copies made, to us immediately.
- d. For all other legal defects clause 8 shall apply.

11. Applicable Law and Legal Venue

- a. Sole legal venue for both parties in all direct and indirect disagreements arising from contractual disputes – including deeds, exchange notes and cheques – is the local court for the district for our head office. However, we also retain the right to make claims against a supplier at a court with jurisdiction at the business address of the supplier.
- b. The Laws of the Federal Republic of Germany take precedence; the agreement of the United Nations for the Regulation of International Trade of 11-04-1980 (CISG) is inapplicable.