

General Terms and Conditions of Sale, Delivery and Payment (as of September 2007)

1. Area of Application

- 1.1. The terms of business shall apply to all current and future business relations regarding the delivery of goods and services.
- 1.2. Our General Terms and Conditions of Sale, Delivery and Payment apply to persons, which, at the time of closing the contract, acted in conjunction with their commercial or self-employed professional occupation and their public-legal special property.
- 1.3. Divergent, opposing or additional general terms and conditions shall not become part of the contract even if known unless their validity has been expressly agreed upon.

2. Conclusion of Contract

- 2.1. All offers shall be subject to alteration. We reserve the right to effect technical modifications or alterations in form, colour and/or weight within reasonable dimensions.
- 2.2. With the order of goods the buyer shall bindingly declare their intention to buy the ordered goods. We are entitled to accept the proposal of contract comprised in the order within six weeks of receipt of the order. Order acceptance shall be declared either in written form or by goods delivery to the buyer.
- 2.3. Conclusion of contract shall be effected under reserve of the correct and timely self-delivery by our suppliers. This clause shall only apply if non-delivery cannot be borne by us, particularly including the conclusion of congruent hedging transactions with the supplier. The buyer will be informed immediately about the non-availability of the service.
- 2.4. Tools necessary for goods production shall always remain our property and will not be issued by us even if requested. This clause shall apply even if tool costs are borne by the buyer. Unless explicitly stated in written form that the article made with the tools shall only be delivered to the buyer, the tools will be used generally.
- 2.5. Orders provided according to drawings, sketches or any other specifications sent to us shall be executed in accordance with patent and trademark laws at the risk of the buyer. If the execution of such orders results in the violation of foreign trade mark rights the buyer shall bear any damage resulting from the violation of such rights.
- 2.6. We reserve the right of ownership and copyright on plans, drawings, drafts, calculations, cost estimates and similar documents prepared by us. These must not be reproduced or made available to third parties without our prior consent.

We strictly cannot be made liable for errors resulting from the documents (e.g. drawings) and other technical specifications provided by the buyer.

3. Prices and Payments

- 3.1. Prices are always ex works including the loading of goods in the factory and excluding packaging. VAT is not included in the price and shall be invoiced according to the respective statutory amount. Dispatch is effected at our own discretion unless particulars have been specified. We do not assume liability for the cheapest mode of dispatch.
- 3.2. Packaging is calculated at net cost.
- 3.3. Our invoices are payable according to the stated conditions. Payment must be effected by transfer to one of our accounts or by cheque. The term of payment shall commence with the date of the invoice. Cheques are accepted only after particular agreement on account of performance and shall only be deemed as payment after they have been honoured or cashed in. Our claim shall be fulfilled with disposal of the counter value of the cheque and when no return claims have to be anticipated. Encashment charges and interest shall always be borne by the buyer and are payable immediately.
- 3.4. Modifications in prices, particular changes necessary to adapt to increased material costs and wage expenditure shall be permissible if six weeks lie between the conclusion of contract and the agreed delivery date. The price valid at the day of delivery shall apply.
- 3.5. Partial deliveries will be invoiced separately. Separate payment periods apply for every partial invoice.
- 3.6. In the event of default of payments by the buyer the buyer is obliged to pay interest to the amount of 8% above the base interest rate during default. We reserve the right to account for and claim increased damage caused by the delay.
- 3.7. The buyer shall be entitled to set-off only if their counter claims are legally binding or acknowledged by us. The buyer shall only make use of their right of retention if their counter claim is based on the same contractual relationship.
- 3.8. If no other clause has been agreed upon we shall be entitled to set off any incoming payments against any older accounts receivable of the debtor. If costs and interest have already been incurred we shall be entitled to set off the payment on costs initially, followed by costs on interest and last on the actual service.
- 3.9. If the buyer is in default of payment obligations we shall be entitled to base the delivery of further goods on advance payments or other securities. We are also entitled to immediately invoice any remaining outstanding receivables resulting from the respective contract. In the absence of payments and securities we are entitled to stop further sales as well as further processing of already delivered goods.

4. Retention of Title

- 4.1. We shall retain title to the goods until complete settlement of all claims resulting from an ongoing business relationship.
- 4.2. The buyer is obliged to treat goods carefully. The buyer shall effect any necessary maintenance and inspection measures regularly and at their own expense.

- 4.3. The buyer is obliged to immediately notify us of access to the goods by third parties, for instance in the event of garnishment or possible damage or destruction of goods. The buyer shall be obliged to immediately notify us of change in ownership of the goods as well as the buyer's own change of residence.

- 4.4. We are entitled to reclaim the object of purchase if the buyer is in breach of contract, in particular in the event of default of payment. By means of this clause, the buyer shall agree to the applicability of these regulations in such events. Retraction of goods is only deemed a withdrawal from contract if expressly stated by us. Costs resulting from the retraction of goods (in particular transport costs) shall be borne by the buyer.

- 4.5. The buyer is entitled to resell goods in the ordinary course of business. The buyer hereby assigns all claims arising from resale to third parties to the amount of the invoice. We hereby accept the assignment. After the assignment of claims the buyer is entitled to the collection of claims. Our right to collect claims ourselves remains unaffected. We will however not collect claims unless the buyer does not fulfil payment obligations arising from collected revenues, is in default of payments and, in particular, applies for insolvency proceedings or cease payments. In the event of such non-compliance we shall be entitled to demand from the buyer the disclosure of assigned book accounts and their debtors, all particulars necessary for collection thereof, surrender of all corresponding documents and notification of third parties regarding the assignment. In the event of contractual breaches (in particular default of payment) we shall be entitled to revoke the collection authorization of the buyer.

- 4.6. The processing of goods by the buyer shall be effected on our behalf only. If processing is effected including items not in our possession we hereby purchase co-ownership on the new goods in relation to the value of the goods delivered by us to other processed items. The same shall apply if goods have been mixed with other items not in our possession.

- 4.7. We shall be obliged to release securities we are entitled to on request of the buyer insofar as the realizable value of our securities exceeds the claim to be secured by more than 20%; we reserve the right to select the securities to be released.

- 4.8. Assertion of the retention of title in the event of default of payment, exposure or garnishment of the delivery item by us is considered withdrawal from contract.

5. Delivery Times

- 5.1. The obligation to deliver applies to confirmed assignments only. Details regarding delivery times are non-binding unless delivery times have been promised by way of exception as "binding".
- 5.2. The term for delivery shall be deemed adhered to if the goods have left the store at Rechberghausen within the period of delivery.
- 5.3. In the event of unforeseen obstacles outside our sphere of influence such as strike or lock out, disruption of operations and delays in the delivery of essential primary materials the period of delivery is extended appropriately if such obstacles pose a demonstrable influence on the completion and delivery of the delivery item. We cannot justify such circumstances if we are already in default. In this event, both parties shall be entitled to withdraw from contract.
- 5.4. Should we be in default of delivery times for which we are liable our liability shall be limited to the replacement of the typically predictable damage.
- 5.5. Call orders need to be allocated for delivery within a year. Failure of performing a call order within the stipulated time shall entitle us to send the goods unrequested and to effect costing or to withdraw from contract and to reclaim any possibly awarded volume discounts, which were granted for earlier deliveries of the call order. This clause does not exclude any further claims for damages by us.
- 5.6. If the buyer is in default of acceptance or in breach of their obligation to cooperate we shall be entitled to demand compensation for resulting damages including possible additional expenditures. In this event, the transfer of risk of accidental loss or incidental deterioration of the object of purchase is passed to the buyer at the time of default of acceptance.

6. Transfer of Risks – Packing Costs

- 6.1. The risk of accidental loss or incidental deterioration of the goods is transferred with dispatch of the goods ex factory to the buyer at the latest. This also applies if partial services were rendered or if we offered further services e.g. carriage paid deliveries, installation or assembly, etc. by way of exception.
- 6.2. If dispatch is delayed due to circumstances beyond our control, risks are transferred to the buyer at the day of readiness for shipment.
- 6.3. Transport and all other packaging cannot be returned. The buyer shall be obliged to provide for the disposal of packaging possibly incurring costs.
- 6.4. If expressly stated by the buyer we will conclude a transport insurance for the delivery; incurred costs are borne by the buyer.

7. Warranty

We accept liability for defects of the delivery in the event of proper fulfilment of the Examination and Notice of Non-Conformity § 377 of the German Commercial Code by the buyer as follows:

- 7.1. Unless a defect of goods is apparent we shall be entitled to choose between rectification of the defect or delivery of an item free of defects (supplementary performance). Only slight defects will be rectified. We shall be entitled to refuse if one or both of these kinds of supplementary performance are impossible to effect or disproportionate.

We shall be entitled to refuse supplementary performance if the buyer has not complied with their obligation to pay to an extent corresponding to the portion of rendered services being free of defect.

- 7.2. Should supplementary performance according to clause 1 be impossible or fail, the buyer shall be entitled to opt whether to accept a corresponding reduction of the

purchase price or to withdraw from contract according to statutory regulations; this particularly applies to culpable delay or refusal of supplementary performance.

7.3. Unless stated otherwise below (paragraph 4) all further claims of the buyer resulting from any legal grounds (in particular claims for damages resulting from breach of contractual secondary obligations, unlawful acts, other unlawful liability and claims for reimbursement of expenses excepting those according to § 439, clause 2 of the German Civil Code) are excluded and shall particularly apply to claims resulting from damages unrelated to the actual object of purchase as well as claims for replacement of lost profits.

7.4. The non-warranty clause defined in clause 3 shall not apply if non-liability or limitation of liability for damages resulting from death, bodily injury or illness due to breach or neglect of duty by the user, their statutory representative or their auxiliary persons has been agreed upon; non-warranty also shall not apply if an exclusion or limited liability for other damages resulting from willful or grossly negligent fulfilment of duties of a statutory representative or auxiliary person of the user has been agreed upon. Liability is not excluded in the event of culpable violation of an essential contractual duty or a "cardinal duty" but is limited to contractually typical and predictable damages.

Furthermore, exclusion of liability shall not apply in cases of liability according to the Product Liability Act with reference to faults on privately used delivery items resulting in personal and material damages.

Exclusion of liability also shall not apply concerning acceptance of a guarantee or warranty of a quality if a defect in this context provokes our liability. Warranty or covenant in terms of increased liability or acceptance of a particular obligation to assume liability is only considered granted if the terms "warranty" or "covenant" have been explicitly stated.

In the event of reimbursement of expenses the former is considered appropriate.

7.5. We shall not assume warranty for damages resulting from the following causes: unsuitable or improper use, erroneous assembly by the buyer or third parties, natural wear and tear, erroneous or negligent treatment, unsuitable equipment, erroneous construction, unsuitable foundations, substitute materials, chemical, electro-chemical or electrical influences (unless they are damages for which we are explicitly responsible), improper modification or repair works by the buyer or third parties without our prior consent.

7.6. Claims for supplementary performance come under the statute of limitation after delivery of the object of purchase. The one-year statute of limitation shall not apply to buildings or matters, which have been used for a building according to their commonly accepted usage and which have caused its deficiency; in this event the statute of limitation is extended to five years.

Claims for abatement and exercise of the right of withdrawal are excluded if the claim for supplementary performance is statute-barred.

If clause 3 becomes applicable the buyer shall be entitled to refuse payment of the purchase price to the extent of the entitlement of withdrawal or reduction.

7.7. This paragraph does not affect claims resulting from dealer regress.

7.8. We need to reserve the right to render excess or diminished performance of up to 10% which is taken into consideration when invoicing. If not stated otherwise conventional tolerances shall apply for measures.

8. Liability for Secondary Obligations

If, due to our fault, the delivered item cannot be used by the buyer as stipulated in the contract due to the failure to execute or erroneous execution of suggestions or consultations before or after conclusion of contract as well as other contractual secondary obligations (in particular instruction manuals and maintenance of the delivery item) the regulations stated above (7) shall apply accordingly and under the exclusion of further claims by the buyer.

9. Withdrawal of the Buyer and Other Liability

9.1. The following regulations shall apply in the event of breach of duty beyond liability for defects and shall not exclude or limit the statutory right of withdrawal.

This clause furthermore does not exclude or limit statutory or contractual rights and claims we are entitled to.

9.2. The buyer may withdraw from contract if the entire service/performance is definitely impossible to be rendered; the same applies to incapacity.

The buyer may withdraw from contract if, in the event of an order of similar items, execution of a part of the delivery is delayed by fault of us and if the buyer has no interest in accepting a partial performance; if this is not the case, the buyer may reduce the consideration accordingly; the right of withdrawal does shall not apply in the event of immaterial breach of duty.

9.3. If a delay in service performance is present and if, after we have given grounds for the delay, the buyer grants an appropriate period to provide service performance and the extension of time is not adhered to the buyer shall be entitled to withdraw from contract. Paragraph 1 clause 2 applies accordingly in the event of partial failure to meet obligations to provide services. If the buyer demands a different execution of the delivery item in any respect before delivery, the course of the delivery time shall be discontinued until the day of agreement and, if necessary, extended accordingly in order to accommodate ulterior fulfilment.

9.4. Withdrawal from contract is excluded if the buyer is solely or predominantly responsible for the circumstance entitling him to withdraw or if the circumstance solely borne by us occurs at the time of default of acceptance by the creditor. In the event of unenforceability of events stated above we reserve the claim of return of service according to § 326 clause 2 of the German Civil Code.

9.5. Further claims by the buyer resulting from any legal grounds whatsoever (in particular claims resulting from breach of contractual secondary obligations, default, unenforceability, unlawful acts) are excluded; this particularly applies to claims regarding the reimbursement of lost profits and claims not resulting from deficiencies of the purchase item.

This does not apply if the cause of damage results from intent or gross negligence by us, our legal representatives or auxiliary persons.

This clause shall not apply if damages result from culpable bodily harm, loss of life or harm to health. Liability is also excluded in the event of acceptance of a warranty unless a breach of duty not included in the guarantee explicitly provokes our liability.

Liability is excluded unless an essential contractual or cardinal obligation has been culpably breached. In this event, damages shall be limited to typically predictable dimensions. A guarantee or covenant in terms of increased liability or acceptance of a particular obligation to meet claims shall only be considered applicable if the terms "warranty" and "covenant" have been stated explicitly.

10. Securities for International Deliveries

10.1. If international deliveries to the importing country require particular measures to ensure the effectiveness of the retention of title or any other rights outlined in § 4, the buyer is required to inform us thereof and to execute such measure at their own expense.

10.2. If legal regulations of the importing country do not permit the retention of title but allow the supplier to reserve other rights regarding the delivery item we shall be entitled to exercise all other respective rights. Unless our equivalent security is not achieved by such regulations the buyer shall be obliged to provide such securities for delivered goods or other securities at their own expense

11. Place of Fulfilment, Jurisdiction, Choice of Law

11.1. Place of fulfilment for deliveries and payments is the official location of our company.

11.2. Court of jurisdiction for all disputes resulting from the contractual relationship is Göppingen. We are furthermore entitled to sue at the main official business location of the buyer.

11.3. The jurisdiction of the Federal Republic of Germany exclusively applies to the entire business relationship with the exception of the UN covenant on contracts for the international sale of goods.

12. Miscellaneous Regulations

12.1. Modifications of the contract shall only become effective with our explicit agreement.

12.2. Should individual regulations of these conditions become completely or partially ineffective or become void all other regulations of the contract shall remain unaffected thereof. The contractual partners shall be obliged to agree to a new regulation corresponding to the meaning and purpose in terms of economic scope of the ineffective or void regulation.

Please note that data regarding the business relationship or data received by the buyer in the context of the business relationship, whether these originate from customers themselves or third parties, is processed according to the provisions of the Federal Data Protection Law.