

General Terms and Conditions for Supplies and Services

(Issue date: January 2008)

I. Applicability of the Terms and Conditions

1. Our supplies and services arising from contracts with business entities or entities existing under public law are made solely on the basis of these Terms and Conditions.
2. The Terms and Conditions are in all cases considered as recognized on receipt of the supply or service concerned.
3. Any terms and conditions of business or purchase of the customer contradicting our own shall be ineffective, even where not expressly contradicted despite being known, and/or where our supply or service is rendered without reservation.- Consequently, any counter-confirmations from the customer making reference to its terms and conditions of business or purchase are hereby overridden. Any such terms and conditions of business or purchase of the customer shall only be effective when accepted by us in writing.
4. Our Terms and Conditions apply to all current and future business relations, even where not expressly so agreed from case to case. Any previous Terms and Conditions are hereby rendered invalid.
5. A "business entity" in the context of these Terms and Conditions, according to article 14 of the German Civil Code (BGB), is any natural person or legal entity, or company with legal personality, which carries out commercial or independent professional activities on entering into a legal transaction.

II. Quotation and contracting; Quotation documents

1. Our quotations are subject to confirmation, unless the substance of the quotation or order confirmation results in some other circumstance. Acceptance of our quotation subject to confirmation shall result in the contract coming into existence, unless we immediately refuse to enter into any such contract.
2. If the purchase order from the customer is an offer under the terms of article 145 BGB, we may accept the offer within two weeks of receipt, unless the customer has stipulated a shorter period for acceptance in writing. The offer shall be considered accepted only on issue of an order confirmation, or by way of shipping of the goods or commencement of the service in question.
3. All agreements entered into between us and the customer regarding mutual contractual rights and obligations and the implementation and execution of the contract shall be recorded in writing in our order confirmation or in the contract document itself. The same shall apply to any warranties given and any subsidiary agreements made.
4. Any brochures, drawings, promotional materials or the like issued by us, and the performance data and other information contained therein (such as in respect of weight, quality, dimensions, characteristic properties and performance) shall only be decisive under the terms of the contract where their applicability has been expressly agreed. Any such agreements must be made in writing.
5. We retain right of title and copyright to drawings, costings, estimates and calculation documents.- They must not be disclosed to third parties without our prior express consent. They must be returned to us on request, or if the contract is not ultimately awarded.

III. Qualities, dimensions, weights; Acceptance testing; Changes to supplies and services/nonconformance

1. Unless otherwise agreed, the qualities and dimensions of the materials supplied by us shall be determined in accordance with German material standards. Nonconformance shall be permitted within the scope of tolerance of the DIN standardization body.
2. Where the applicable material standards stipulate acceptance testing, or where acceptance testing of the supplied material has been agreed with the customer, the said testing shall be conducted at our business premises immediately after notification has been given that the

goods in question are ready for shipping. The personnel costs relating to acceptance testing shall be borne by the customer.

3. If acceptance testing is not carried out - such as because the customer waives its requirement of acceptance or, despite appropriate prior notice, fails to attend acceptance testing - we shall be entitled to ship the material without acceptance, or to hold it in storage at the expense and risk of the customer. In such cases, the goods shall be considered as having been delivered in accordance with the contract, unless any defect occurring would not have been identifiable if acceptance testing had been carried out.
4. We reserve the right of normal commercial modifications or nonconformance to the agreed performance within the standard tolerance (such as in respect of quantity, weight or quality). We in any case reserve the right to make modifications or allow nonconformance for good cause, in particular where such modification or nonconformance is technically essential and would be reasonable for the customer to accept.

IV. Prices; Minimum order value; Expenses resulting from changes in performance; Installation costs; Price changes

1. Our prices are quoted "ex stock" or "ex factory", plus *packing* and statutory sales tax (VAT), unless otherwise agreed. *The statutory amount of sales tax (VAT) on the date of invoicing shall be stated separately on the invoice. Where the customer requests shipping of the goods, the transportation costs shall be additionally charged.*
2. Expenses incurred as a result of changes to the nature or scope of the supply or service requested by the customer following our order confirmation or after signing of the contract, and/or arising in relation to compliance with subsequently imposed or previously unforeseeable statutory conditions and requirements, shall likewise be charged in addition to the agreed purchase price.
3. Installation costs shall be charged separately, unless otherwise agreed.
4. The minimum purchase order value is 50.00 euros for orders from Germany and 500.00 euros for orders from outside of Germany.
5. If supply of the goods or performance of the service is not effected in accordance with the contract within two months of signing the contract, we reserve the right to alter our prices accordingly where any cost reductions or any cost increases beyond our control - particularly increases in labor costs arising from amendments to collective pay agreements or changes in material prices - occur between signing of the contract and the scheduled date of shipping the goods or performing the service as appropriate. We shall furnish evidence of such changes to the customer on request.

V. Lead times; Impairments to performance; Partial deliveries

1. The lead times for the performance of supplies or services quoted by us are approximations only, unless a binding lead time has been agreed and confirmed as such by us in writing.
2. The lead time quoted by us shall begin on receipt of our order confirmation by the customer. The beginning of the lead time shall further be dependent on clarification of all technical queries and details of execution with the customer and on the customer having fulfilled any prior obligations required on its part.
3. The lead time shall be extended by the duration of any temporary impairment to performance beyond our control. This shall also apply where such an impairment occurs at our suppliers or at their subcontractors. We shall notify the customer immediately of the reasons for, and projected duration of, any delay. If the impairment is likely not to be eliminated within an appropriate period of time, both the customer and we ourselves may cancel the contract, either in its entirety or in part. However, the customer's right of cancellation shall require that we have first been allowed an appropriate period of time to render the performance due. Notification of the allowable period shall be accompanied by a warning of potential refusal. The setting of an allowable period shall be waivable in the cases laid down in article 323, paragraph 2 BGB.
4. The fulfillment of our delivery obligations further requires the prompt and proper fulfillment of the customer's obligations. We reserve the right of objection due to non-performance.

5. Where a supply or service comprises multiple parts, we shall be entitled to provide partial deliveries in place of a single performance of the supply or service in question within the agreed lead time, provided such staggered performance would be reasonable for the customer to accept.

VI. Shipping and transfer of risk in respect of goods deliveries; Delays in acceptance

1. Deliveries are made "ex factory".
2. We reserve the right to choose the type of packaging, shipping route and means of transportation. Where no special agreement has been made in respect of packaging, it shall be carried out in accordance with standard commercial practise, at a separate charge.
3. The risk shall be transferred on handover of the goods to the customer. Where goods are shipped by carrier, the risk shall be transferred to the customer on issue of the goods to the carrier. This shall also apply to deliveries free domicile.
4. Goods notified as ready for shipping must be called off without delay. If goods are not called off, we shall be entitled to ship or store the goods, according to our choice, at the expense and risk of the customer.
5. If the customer delays accepting goods, or culpably infringes against any other duties of cooperation, we shall be entitled to claim compensation for any loss thereby suffered by us, including any additional expenditure incurred. We reserve the right to assert further claims or rights in this regard. Where the preconditions as set out in clause 1 apply, the risk of accidental loss or deterioration of the purchased item shall be transferred to the customer on notification of readiness for shipping.
6. The above provisions shall also apply to partial deliveries.
7. All goods shipments shall be covered by transport insurance on our part. In this respect we are a so-called "forbidden customer" ("RVS/SVS-Verbotskunde") in the context of the shipping and cartage insurance. The supplier shall inform the forwarder/carrier accordingly.

VII. Infringement of the contract by the customer

1. An infringement shall be considered to have occurred if the customer withdraws from the contract without authorization, in particular by cancelling, terminating or refusing performance of it.
In such cases the customer shall be obliged, after failing to fulfill its obligations within an appropriate period of time set by us, to pay us compensation for the loss incurred. We shall be entitled to charge a flat amount in respect of the loss, whereby the amount of compensation shall be determined by the order value. A flat rate of 5% of the order value of the delivery may be charged by way of compensation. In respect of partial deliveries, the compensation payable shall be 5% of the value of the partial delivery concerned. We reserve the right to assert claims for higher compensation in each case.
2. If the customer disputes the amount of compensation payable, it shall bear responsibility for furnishing evidence that no loss - or a substantially lesser loss - has been suffered.

VIII. Payment terms; Delay; Setting-off; Right of retention

1. In respect of orders for goods to a total value of over 5,000.00 euros, payment shall be made in cash, without deduction. Payments shall be due in three parts: one third of the purchase price on receipt of order confirmation; one third of the purchase price on receipt of notification that the goods are ready to ship; and one third of the purchase price immediately on delivery.
2. The provisions in German law governing due dates of payment otherwise apply.
3. Payment shall be classed as delayed if no payment is received by the due date, without need of any reminder.
4. In respect of orders for goods up to a total value of 5,000.00 euros, and where payment is made within 10 days of invoice, we allow a 2 % discount.
5. For each reminder we issue - except for any reminder actually entailing the delay - an administration fee of 5.00 euros shall be agreed, unless the customer furnishes evidence that the loss suffered by us is substantially less than the above-mentioned flat-rate amount.

6. The interest rate payable on delayed payments shall be 12%. We reserve the right to assert claims for higher compensation.
7. The customer shall only be entitled to set off payments where its counter-claims are legally established, undisputed or recognized by us.
8. The customer shall have no right to refuse performance or retain goods, unless its counter-claims are legally established, undisputed or recognized by us.
9. If the customer fails to fulfill its payment obligations, or if we become aware of circumstances which bring into question the customer's creditworthiness, all our claims shall immediately become payable. In such cases, we shall only be obliged to make further deliveries if the customer makes payment for each delivery as it occurs. If the customer fails to pay in cash, we shall be entitled to demand compensation for non-performance in place of performance or - where no deliveries have yet been made - to cancel the relevant contracts.
10. All preconditions for setting-off of outstanding amounts shall be assessed on the basis of the date on which the debt was incurred, not the due date for payment of our claim. With regard to settlement, it is irrelevant whether payment in cash, by bill of exchange, check or other means was agreed. Where current account balances exist, the setting-off agreement shall cover the net balance. Where receivables or payables have different due dates, they shall be accounted for on their value dates.

IX. Impairment of performance - Allowance of a performance period; Cancellation by the customer

1. In the event of impairments of performance relating to our contractual obligations (e.g. delay; inadequate performance; infringement of duty of protection and subsidiary obligations; impossibility; partial non-performance), the period of time stipulated by German law as being allowable to the customer shall be granted in writing in order to be legally effective.
2. Where impairments of performance occur beyond our control, the customer shall be entitled to cancel the contract, except in the cases expressly cited in these Terms and Conditions. In such cases the provisions of article 326, paragraphs 1 and 4 BGB apply. The legal right of cancellation in the event of defects remains thereby unaffected.
3. In the event of impairments of performance for which we are responsible, the customer shall be entitled to cancel the contract according to the dictates of the law. The period of time stipulated by law as being allowable to the customer shall be granted in writing likewise. Notification of the allowable period shall be accompanied by a warning of potential refusal. Notice of cancellation must be given in writing.
4. In the event of partial non-performance of the contract for which we are responsible, the customer shall be entitled to cancel the contract, subject to the preconditions set out in clause 3, in respect of the portion of the total supplies/services not yet rendered. The customer shall only be entitled to cancel the contract in its entirety if the portion of the total supplies/services already rendered is of no interest to it.
5. The period allowed us pursuant to clauses 3 and 4 shall also be considered granted if we indicate our readiness to deliver the supply/service within the said period. The supply/service must then be delivered without delay.

X. Defects and warranties

We shall provide warranty in respect of defects in the goods or services supplied in accordance with the following regulations:

1. In the case of a commercial sale under the terms of articles 373 ff. of the German Commercial Code (HGB), the rights of the customer in respect of defects require that the customer should have properly fulfilled its own duties of inspection and complaint stipulated by article 377 HGB. The duties of inspection and complaint also apply where a defect becomes known in the course of a supplier claim (article 478, paragraph 6 BGB).
In the case of a contract which does not represent a commercial sale under German law (such as where the customer is not a commercial entity), the customer must notify us of any apparent or identifiable defects immediately. At the end of this period the goods shall be

considered approved. If a defect is revealed subsequently, it must be notified immediately on being discovered, otherwise the goods shall be considered approved despite the said defect.

2. Defects must be notified in writing.
3. With regard to the characteristic properties of the goods or services provided, only our product description shall be considered as agreed, unless some other agreement has been made. Public statements, claims or advertisements do not represent contractual specifications of the characteristic properties of the goods or services provided.
4. In the event of a defect in the goods or services provided, we shall be entitled, according to our choice, to require additional performance in the form of elimination of the defect or to receive a replacement delivery or replacement execution of works. We shall be obliged to bear all expenses - in particular transport, travel, labor and material costs - incurred by the additional performance, provided the said expenses are not increased by transferring the purchased item to a location different from the contractual place of performance.
5. We shall be under no obligation to act in response to a notification of defect as long as the customer has not yet fulfilled the prior obligations required on its part. This applies in particular to agreed payments. Nor shall a justified claim free the customer of its obligation to make payment (see section VIII, clause 8.).
6. We shall remove the defective goods supplied if necessary to carry out the required additional performance.
7. Where a new, defect-free item is supplied, the customer shall be obliged to surrender to us, or compensate us for, the benefits drawn in accordance with article 346 BGB. The same shall apply accordingly in respect of execution of new works.
8. If the additional performance fails, the right of additional performance of the customer shall be voided. The customer shall likewise have no right of performance itself in such cases. It shall be entitled, according to its own choice, to cancel the contract or demand a reduction in payment. The right of cancellation shall be excluded in respect of construction work however.
9. If the customer asserts compensation claims for damages, the limitations of liability stipulated in section XI of these Terms and Conditions shall apply.
10. The time limitation on the rights of the customer in respect of defects not subject to the statutory time limitation laid down in article 438, paragraph 1, clause 2 and article 634a, paragraph 1, clause 2 BGB shall be one year from handover or delivery of the goods, or in respect of works contracts one year from acceptance of the work. The provisions of articles 203 ff. BGB remain unaffected.
11. In the case of goods expressly sold as "declassified material" and designated as such, the customer shall have no rights in respect of defects.
12. Any remedial work carried out shall not lead to recommencement of the limitation period, but merely to an extension of the period in accordance with article 203 BGB.
13. Our warranty shall be voided if original components of goods or works provided by us are replaced by components from a different source and the defect in question was caused by the third-party components. The same shall apply if remedial work, repairs or modifications are carried out on goods or works provided by us without our prior written consent by third parties other than ourselves and the defect in question was caused by the said remedial work, repairs or modifications.
14. The warranty-modifying provisions in the event of a supplier claim (articles 478, 479 BGB) remain unaffected by the provisions laid down in clauses 1 to 13.
15. The customer shall receive from us no guarantees under the terms of German law, unless otherwise agreed. Manufacturers' guarantees remain unaffected by the aforementioned exclusion.

XI. Limitations of liability; Time limitation

The following limitations of liability apply to all pre-contractual, contractual and legal claims - in particular also claims under tort law - and to cases in which the customer demands reimbursement for useless expenditures instead of claiming compensation for damages in place of performance:

1. In the event of slight negligence in infringement of obligations: Where the slight negligence relates to a minor contractual obligation, our liability shall be excluded. In the event of infringement of a major contractual obligation, we shall not be liable for payment of compensation in place of performance or for reimbursement of expenses in accordance with article 284 BGB. Our liability shall be limited to the typical foreseeable loss in relation to the type of supply or service provided.
2. In the event of gross culpability, except in cases of intent, our liability shall likewise be limited to the typical foreseeable loss in relation to the type of supply or service provided.
3. Otherwise, our liability shall be based on the provisions of the law.
4. The provisions set out in clauses 1 to 3 also apply with regard to infringements of obligations by our legal representatives, employees, staff, collaborators, delegated representatives and agents in performance, as well as to their personal liability.
5. Liability for culpable injury to life, limb or health remains unaffected by the above provisions, as does compulsory liability in accordance with product liability law.
6. Our liability shall in all cases be limited to the amount covered by our business liability insurance policy (5,120,000.00 euros).

XII. Reservation of title

1. We reserve right of title to the goods we supply until all claims arising from the business relationship, including future claims, also including claims arising from contracts entered into at the same time or subsequently, have been met. This also applies where individual claims, or all of our claims, have been incorporated into a current invoice and the balance has been calculated and acknowledged.
2. If the customer delays in making payments, we shall be entitled, following issue of a warning, to recover the goods and the customer shall be obliged to surrender them. This shall also apply in the event of any other contract infringement on the part of the customer.
3. Following recovery of the goods, we shall be authorized - but not obliged - to resell them. The revenue from any resale shall be set off against the liability of the customer, less an appropriate amount of resale costs. If assertion of our right of cancellation is not feasible, we shall be entitled - in the cases provided under law - to claim appropriate compensation for damages.
4. For the duration of our reservation of title, the customer shall be obliged to treat the goods with due care. It shall in particular be obliged to insure them adequately at its own expense against loss due to fire, water and theft. The customer shall carry out regular maintenance and inspection of the goods to the extent necessary, at its own expense.
5. In asserting our reservation of title and in the event of our levying execution on the goods, a cancellation of the contract shall only be considered to have occurred when an appropriate period of time set by us for performance has passed and we expressly give notice of cancellation.
6. In the event of execution of a levy or other interventions by third parties, or of damage to the goods or destruction of them or parts of them, the customer shall notify us immediately. The same applies with regard to the commencement of insolvency proceedings in respect of the customer's assets. Where, in the event of a levy of execution, the third party is unable to reimburse us for the legal costs, including the court and out-of-court costs of a third-party action in opposition to execution, the customer shall be liable for the loss suffered by us.
7. Any application for commencement of insolvency proceedings in respect of the customer's assets shall entitle us to cancel the contract with immediate effect and demand immediate return of the goods.
8. The customer shall be entitled to sell on the supplied goods in the ordinary course of business. However, from this date on it waives all claims arising from the selling-on due to it from the buyer or from third parties, regardless of whether the goods are processed prior to being sold on or not. The customer shall remain authorized to collect the said claims even after waiving its right to them. Our authorization to collect the claims ourselves remains thereby unaffected. We do, however, undertake not to collect the claims as long as
 - the customer properly fulfils its payment obligations, or
 - the authorization to collect payment is not rescinded, or

- no application for commencement of insolvency proceedings is made.
- Otherwise, we may demand that the customer
- notifies us of the waived claims and the corresponding debtors,
 - provides us with all information necessary in order to effect collection,
 - discloses the related documentation and notifies the debtors of the waiver, if it has not already done so.
9. If the supplied goods are sold on together with other goods not belonging to us, the customer's claim against the buyer shall be classed as waived in the amount of the purchase price agreed between us and the customer.
 10. In the event of the goods subject to reservation of title being sold on, the customer undertakes to agree with its buyer that transfer of title will only be effected when the buyer has fully met all its payment obligations to the customer.
 11. Any processing or reforming of the goods subject to reservation of title shall always be carried out by the customer on behalf of ourselves as the manufacturers under the terms of article 950 BGB, without subjecting us to any obligation. If our goods are processed together with other items not belonging to us, we shall acquire title to the new product in the amount of the value of the goods subject to reservation of title proportionate to the other items at the time of processing.
 12. If goods subject to reservation of title supplied by us are joined or intermingled with other movable items to form a single unit, and if the said unit is classifiable as the primary item, the customer shall transfer to us proportionate share of title, to the extent that the primary item belongs to it. It shall preserve title or share of title on our behalf. The item created by the joining or intermingling process shall otherwise be subject to the same provisions as the goods subject to reservation of title.
 13. In order to secure our claims against the customer, the customer shall also waive in our favor its claims against any third party arising to it by the combination of the purchase item with real estate.
 14. If the value of the securities attributable to us exceeds the secured claims for more than a temporary period by more than 20%, we shall release securities in an appropriate amount according to our choice on request from the customer. The same applies where securities are definitively no longer required.

XIII. Non-transferability of contract rights; Onward delivery

1. The customer must not transfer its claim for delivery to third parties without our express consent. The same applies to claims for execution of promised works. The customer may make objection to implementation of the waiver prohibition based on the inadmissible exercising of law in individual cases.
2. Goods not sold expressly for export must not be shipped unprocessed to territories outside of the Federal Republic of Germany (FRG).
3. Goods sold for export must not, while unprocessed, be stored within the territory of the Federal Republic of Germany, be delivered back to the territory of the Federal Republic of Germany or be shipped to any country other than the destination specified on the purchase order. The said goods must also not be processed within the territory of the Federal Republic of Germany.
4. The customer shall be obliged to furnish proof of the location of the goods on request from us.
6. If the customer or any of its downstream buyers infringes against the above provisions, the customer shall pay the profit lost, to the extent proven by us or claimed against us.

XIV. Place of performance; Jurisdiction; Applicable law; Saving clause

1. Unless otherwise stipulated in our order confirmation, our registered place of business shall be the place of performance.
2. Jurisdiction in respect of all disputes arising directly or indirectly from the contractual relationship shall lie with the courts at our registered place of business.

3. The laws of the Federal Republic of Germany apply to the contract and its implementation under the terms of the above provision. The United Nations Conventions on the Sale of Goods are not applicable.
4. If individual provisions of the contract, including these General Terms and Conditions for Supplies and Services, should be, or subsequently become, legally ineffective, the effectiveness of the remaining provisions shall not be affected. The provision which is found to be legally ineffective, in whole or in part, shall be replaced by a provision achieving a commercial effect as close as possible to that of the ineffective provision.