

General Terms and Conditions of Sale and Supply

1. General

(i) All purchasers recognise the following terms and conditions of sale and delivery as binding unless diverging conditions have been specifically agreed in writing. These general terms and conditions of sale and delivery are deemed to have been accepted at the latest upon the receipt of goods.

(ii) The same will also apply where the purchaser, in connection with subsequent orders, makes reference to its own business conditions if we have not expressly consented to such.

2. Offer and order

(i) Offers are without obligation if they have not been expressly declared as binding.

(ii) For sales based on samples, we reserve the right to effect minor variations of quality, colour, design/performance and electrical properties where necessary due to production requirements or continuing product developments.

(iii) Quality descriptions and statements relating to durability are only deemed guarantees where expressly specified as such by us. The same applies with respect to the assumption of any procurement risk (obligation).

(iv) Details contained in our specification sheets and other informative material serve purely as guidelines and only form a binding element of the contract subject to express written confirmation of such on our part.

3. Prices

Prices are ex works and those stated in our order confirmation excluding VAT, subject to change, excluding any possible further taxes, surcharges, import and export charges and custom duties, payable following receipt of invoice. Counterclaims are only permitted with undisputed, recognised or legally binding claims.

4. Dispatch and delivery

(i) The dispatch of goods is effected at the risk of the purchaser. An insurance is only effected by us at the explicit request of the purchaser. The purchaser carries the costs incurred thereby.

(ii) We reserve the right of selection with respect to route and method of shipping in cases where the cost of freight is borne by ourselves.

(iii) Delivery dates are only binding where expressly agreed as such. In all other cases, delivery dates stated are approximate. Fixed dates (transaction where time is of the essence) must be expressly specified as such. Compliance with agreed delivery dates is subject to timely receipt of all delivery documentation, necessary authorizations and release notes to be submitted on the part of the purchaser, in addition to observance of agreed payment conditions and other obligations by the purchaser. In the event of failure to fulfil these requirements, delivery dates will be extended commensurately; this shall not

apply in cases where delays are occasioned by us.

(iv) In the event of default/delay on our part, claims arising from default in delivery asserted by the purchaser will be determined in accordance with section 8.(vi) of these conditions.

(v) Breakdowns and disruption to traffic, fire, flood, shortages of labour, raw materials or fuel, strikes, lock-outs, actions by official governmental authorities, and other instances of force majeure resulting in a complete or partial disruption to production or shipping discharges us from the obligation to effect corresponding deliveries for the duration, extent and consequences of the disruption.

(vi) Partial deliveries are permitted to the extent that such deliveries can be deemed reasonable for the purchaser.

5. Packaging

(i) The method of packaging will be determined by ourselves.

(ii) Packaging is included in the price and will not be taken back. Packaging forms part of the goods in all cases and is therefore due and owing upon the due date of the total purchase price. Special or small packaging arranged at the instruction of the customer is subject to additional charge.

(iii) In the event of hire receptacles being required for delivery of our products, these will be supplied by us against a pro forma charge. Hired articles must be returned delivery paid to our Kirchheim plant.

(iv) Failure to return receptacles within six month will give rise to payment of a fixed charge.

6. Information and advisory support

All information pertaining to processing and application/usage options for our products, technical advice and any other statements issued are given to the best of our knowledge, are however not binding and at the exclusion of all liability.

7. Payment conditions

(i) Reserving the right to assert further claims for loss resulting from delay/default, where the term allowed for payment is exceeded default interest at the applicable statutory rate will be charged. Bills of exchange – acceptance reserved – will only be accepted as conditional payment subject to availability of discounting possibilities and against reimbursement of bank, discount and redemption charges; acceptance is not deemed as a cash payment. A right of retention on the part of the purchaser based on counterclaims not recognized by ourselves ensuring from another contractual relationship is precluded. The same applies for offsetting with counterclaims which are neither founded on an uncontested claim nor on a claim which has been determined as judicially non-appealable.

(ii) Basis for each delivery is the creditworthiness of the purchaser. In the event of negative information regarding the creditworthiness of the purchaser becoming known to us during the period of the contract and with consequently places our claim for payment in jeopardy, or in the event of the purchaser failing to settle amounts due in accordance with applicable conditions, all outstanding accounts receivable owed to us by the

purchaser will become immediately due for payment. Additionally, we retain the right to require advance payments, to demand collateral/security or withdrawn from current contracts.

8. Complaints of defects, guaranty , liability and limitation of actions

(i) For defects of quality and legal deficiencies in title, to the exclusion of further claims but subject to section 8.(vi), guaranty is provided by ourselves as follows:

(ii) The purchaser undertakes to inspect goods received without delay, however no later than within ten days of receipt. Inspection is to be undertaken to determine the suitability of goods for their intended use. Complaints of defects are to be in written form in all cases providing a best possible description of the defect and stating the order number.

(iii) Guaranty for defects of quality:

(iii a) All those parts of the goods received found to be defective as determined by their condition at the time when risk passes will be remedied or replaced without charge, the choice as to replacement or remedy being ours.

(iii b) The purchaser is to concur with us with respect to the carrying out of any remedies or replacement deliveries deemed necessary by us and must also allow us the necessary time and opportunity to implement such action; failure to do so will result in discharge of any liability on our part for the resulting consequences. Only in urgent cases which represent a threat to operational safety and/or to prevent the occurrence of disproportionately high damage is the purchaser entitled to take action to remedy defects on their own part or facilitate remedy by a third party and claim compensation from us for necessary costs incurred, however the purchaser is to notify us immediately of any such instances.

(iii c) To the extent permitted by legal provisions, the purchaser is entitled to withdraw from the contract in the event that we – taking into account exceptions prescribed by law – allow the expiry (without result) of a legally reasonable deadline for remedy or for a replacement delivery owing in respect of a defect of quality. In the case of insignificant defects, the purchaser is only entitled to a reduction in the contract price. Any other right to a reduction in the contract price is precluded.

(iii d) No liability is accepted on our part in the following cases: inappropriate or improper use of our product by the purchaser or third parties, deficient or careless handling, inappropriate grounding, chemical, physical, electrochemical and electrical influences – provided that we are not responsible for this.

(iii e) We accept no liability for the consequences of improper repairs carried out by the purchaser or any other third party. The same applies with respect to modifications carried out to delivered objects without our prior written approval.

(iv) Goods which are the subject of a complaint may only be returned subject to express written approval on our part.

(v) Guaranty for legal deficiencies in title:

(v a) In the event of use of our products resulting in a violation of industrial property rights or copyrights, we undertake to procure for the purchaser a right to further use or to modify our products by any reasonable means to ensure removal of the cause of the violation of industrial

property rights. Should such action be impossible because it is economically unreasonable or because it cannot be done within an appropriate period of time, the purchaser is entitled to withdraw from the contract. In accordance with the stated requirements we are also entitled to withdraw from the contract. Furthermore, we undertake to indemnify the purchaser against any claims asserted against it by the holder of an industrial property right based on a violation of an industrial property right and such claims are either uncontested by us or have been determined by a court as final (non-appealable) vis-à-vis the purchaser.

(v b) Subject to 8.(vi) the rights stated are exhaustive and arise solely where

- I. the purchaser notifies us immediately of any asserted industrial property right or copyrights,
- II. the purchaser assists us to an appropriate extent with respect to defense of asserted claims and/or enables us to implement suitable modifications,
- III. All defensive measures, including out-of-court negotiations, are retained by ourselves,
- IV. The legal deficiency in title is not the result of instructions issued by the purchaser,
- V. Violation of the right was not the result of the purchaser's unauthorized modification of the delivery item or modification contrary to the contract.

(vi) We accept unlimited liability for culpable injury to life, body and health. The same applies to cases governed by the Produkthaftungsgesetz (Product Liability Act) and for cases of express assumption of a guarantee or procurement risk (obligation). We also accept unlimited liability for all cases of (wrongful) intentional or grossly negligent breaches of duty. By contrast, with respect to defects of quality and economic loss resulting from ordinary negligence, liability on our part is only accepted in instances of violation of a fundamental contractual obligation (cardinal obligation), limited however to foreseeable loss typical to the contract at the time of entering into the contract.

(vii) All claims of the purchaser – regardless of legal basis, to the exception of claims arising pursuant to Section 438 (1) No. 2 BGB (German Civil Law Code) and Section 634 a (1) No. 2 BGB – are barred by limitation upon the expiration of twelve month. In respect of intentional and malicious (wrongful) conduct and claims in accordance with the Produkthaftungsgesetz, statutory expiry periods apply. These also apply with respect to defects in buildings or in delivered objects which, in accordance with their usual method of use, where the cause of the defect on the said building.

9. Retention of title

(i) Goods supplied remain our property until all claims against the purchaser arising from the business relationship ant to which we are entitled have been settled. In respect of open accounts, the retained title (property) serves as security for our net debt claim. In cases where payment has been suspended, the applicable goods are –without the need for a request for this- to be segregated and held for our disposal.

(ii) Where the value of all security rights to which we are entitled exceeds the total of all secured claims by more than 10%, we will, at the request of the purchaser but the choice of which being ours, waive a corresponding part of the security rights.

(iii) A processing of the delivered goods by the purchaser is done on our behalf as manufacturer within the meaning of Section 950 BGB, without causing any obligation for us. In the event that reserved goods (subject to a retention of title) and other items not belonging to ourselves are joined together to form a single (united) thing or are indivisibly combined, and if the resulting thing must be viewed as the main thing, the purchaser hereby transfers co-ownership rights pro rata to us to the extent to which the main thing is owned by it. The purchaser is to hold any such resulting property in safe custody on our behalf and without charge.

(iv) Until a permissible revocation by ourselves, which can be made at any time and without specific substantiation, the purchaser is authorized to sell, reprocess or reshape the reserved goods in the ordinary course of business. Any debt claims resulting from such action are hereby assigned to us by the purchaser. In the event of reserved goods being sold by the purchaser together with additional items not supplied by us, such assignment will only apply up to the commensurate value stated in our invoice for the particular reserved goods sold. In the event of resale of items for which we hold co-ownership in accordance with section 9.(iii), assignment applies in an amount equal to these co-ownership parts. Assigned debt claims serve as security to the same extent as the reserved goods.

(v) In the event of an assigned debt claim being incorporated into an open account, the purchaser hereby assigns to us a balance from the open account commensurate to the value of any such debt claim. Until a permissible revocation by ourselves, which can be made at any time and without specific substantiation, the purchaser is authorized to collect the assigned debt claim. At our request, the purchaser is obliged to notify its customers of anticipatory assignment and to provide us with any necessary information or documentation required for the assertion of any such debt claim.

(vi) The purchaser is not entitled to effect any disposal of reserved goods (pledge, transfer of ownership by way of security), or to effect any assignment of debt claims other than those specified in section 9.4. In the event of seizure/levy of execution or confiscation of reserved goods, the purchaser is to give notification of our ownership and must inform us of such occurrences without undue delay.

(vii) The purchaser is obliged to sufficiently insure all reserved goods against all normal risks, in particular against fire, burglary and water damage, at its own cost, to handle such goods with all due care and to ensure proper storage.

(viii) In the event default/delay of payment on the part of the purchaser, we are entitled to recover any reserved goods following the expiry of a specified period of grace which has proved to be without success, including in cases where we have not withdrawn from the contract.

10. Place of fulfilment and legal venue

(i) The place of fulfilment for all obligations arising from the contractual relationship is Kirchheim unter Teck (Germany).

(ii) Legal venue for all disputes arising in connection with this agreement is Kirchheim unter Teck (Germany). Each party is also entitled to sue the other

party in that place of the other party which generally has jurisdiction.

11. Choice of law

All disputes are to be decided in accordance with these conditions and with all other additional agreements for their implementation, otherwise in accordance with the substantive law currently in force in Germany to the exclusion of recourse to any other substantive law. Any applicability of the UN Convention on Contracts for the International Sale of Goods of April 11th 1980 is precluded.

12. Legal validity

Should any provision of these General Terms and Conditions of Sale and Supply prove void, this does not prejudice the legal validity of the remaining provisions.

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