

Standard Terms and Conditions regarding Delivery and Payment

1. Entire Agreement

1.1 These Terms and Conditions exclusively form the entire legal relationship between the Supplier and the Customer. It is acknowledged and agreed that these Terms and Conditions shall apply to all future agreements between the Supplier and Customer, without there being a need to refer to the Terms and Conditions again. Variations and amendments to these Terms and Conditions must be in writing. Other general business terms will be invalid, even where these have not been expressly opposed in each individual case.

1.2 If any provision of these Terms and Conditions is held invalid, illegal or unenforceable for any reason, such provision shall be severed and the remainder of the provisions hereof shall continue in force and effect as if these Terms and Conditions had been executed with the invalid, illegal or unenforceable provision eliminated. In the event any invalidity the Supplier and Customer shall immediately commence good faith negotiations to remedy such invalidity.

2. Contract Content

2.1 The Supplier's offers are open to acceptance; all purchase orders and sales requests, as well as deals carried out by the Supplier's sales representatives shall only become binding when confirmed in writing by the Supplier. This requirement shall apply unless otherwise agreed in writing.

2.2 Amendments, verbal agreements, guarantees, information on the properties of the item and subsequent agreements to these Terms and Conditions shall be invalid, unless consented to by the Supplier or his managerial employees or other agents.

2.3 The Customer may not assign any rights under these Terms and Conditions, in whole or in part without the written consent of the Supplier.

3. Price

3.1 Prices quoted are in Euro if nothing else is indicated. Unless otherwise agreed, delivery shall mean "delivery ex-Works"; all prices are exclusive of any additional charges whether in respect of insurance, shipping, carriage, any special packaging and postage. This provision shall apply to part as well as urgent deliveries. Value Added Tax will be charged to and paid by the Customer in addition to the quoted price at the rate in force at the appropriate tax point.

3.2 The price for the packaging is fixed in the relevant order confirmation. Packaging which the Customer hires from the Supplier shall be returned at the Customer's expense to the Supplier's place of business within 4 weeks, otherwise, the Customer shall be charged the price for the packaging.

3.3 Prices quoted are based on the cost of material, labour, transport, duties, levies, and currency exchange rates and if, before delivery of the Products there is any increase in any of such costs, the price payable may be increased to allow for such increase, unless a fixed price was agreed between the Supplier and Customer.

4. Terms of Payment

4.1 Unless otherwise agreed, the Customer has to settle, with the Supplier's finance department, invoices raised within 30 days from the date of the invoice. The Customer is not allowed to set off any sum of money recoverable from or payable by the Supplier. The date of the cash payment is essential in deciding whether the payment took place on time. In respect of cheques and bills of exchange the date on which the cheque or bills of exchange clears is essential.

4.2 Without prejudice to the Supplier's other rights, if within 30 days from the invoice date the full payment has not been received by the Supplier, interest shall be payable by the Customer from the date on which

payment should have been made on the outstanding amount at 3% over the base lending rate of Germany, from time to time in force. The cost for reminding the Customer that an invoice is still outstanding will be charged to the Customer.

4.3 Bills of exchange, which the Supplier reserves the right to accept and cheques will only be accepted as a matter of fulfilment. Upon the acceptance of bills of exchange, where payment has to be effected abroad or in branches, the Supplier does not accept any liability for timely presentation and protest. Exchange costs (tax, discount, commission and collection expenses) are at the expense of the Customer.

4.4 The Customer will not be allowed to set off any amounts against outstanding invoices where such set offs or counterclaims are still in dispute. The same applies to assertions of a retention of title right on the part of the Customer.

4.5 In the event of late payment or where the Supplier has a well grounded belief that the Customer has become insolvent or is likely to become bankrupt, either into receivership administrations or liquidation the Supplier, without prejudice to its other rights, may demand the immediate payment of any outstanding invoices, as well as, require an advance payment for deliveries yet to be made.

5. Delivery

5.1 Unless otherwise agreed, the delivery time begins with the date on which the order is confirmed by the Supplier, but not before all commercial and technical questions have been resolved, and the Customer has complied with all his duties under these Terms and Conditions (especially those relating to the payment provisions and those requiring his production of permits and other documentation).

5.2 Delivery will have taken place at the point of time, if before the expiry of the delivery date, the Products have left the Supplier's business premises or the Supplier has sent off the notification stating that the Products are ready for delivery.

5.3 In the event that the Customer has interrupted or has caused the Supplier to be in delay of its delivery of the Products, the Customer will bear all additional costs arising out of such an interruption or delay. In addition, the Supplier will be granted a reasonable extension of time for the delivery of the Products.

5.4 In the event that the Supplier (or his subcontractor) is unable to comply with its obligations relating to the delivery of the Products due to a Force Majeure event, which is beyond its reasonable control, the Supplier is entitled to a reasonable extension of time for the delivery. If the Supplier is affected by a Force Majeure event it shall forthwith notify the Customer of the nature and extent of the same.

5.5 A Force Majeure event shall mean war, civil war, armed conflict or terrorist attack, strikes or lock-outs, changes in the law, measures and orders by the authorities, lack of raw materials and energy, and disruption of operation and transport.

5.6 Unless otherwise agreed in writing, time limits for the delivery of the Products will not be fixed times. If an agreed delivery time has been extended by the Supplier the Customer shall grant the Supplier a reasonable respite. The Customer shall have no additional rights, including no right to damages, in the event of late delivery.

6. Dispatch of the Products, Transfer of Risk

6.1 The risk in the Products supplied shall pass to the Customer as soon as the Products leave the Supplier's premises and have been handed over to the appropriate transport company or if they are collected by the Buyer at the time they are placed at the Buyer's disposal.

6.2 At the Customer's request, the Supplier will (on behalf of the Customer) take out insurance against damages, which may arise during the transportation of the Products. Such insurance will be taken out at the Customer's expense.

6.3 The Supplier upon receiving a new purchase order from the Customer will replace Products that have been lost or damaged during the transportation. The Customer will be required to pay the applicable quotation price.

7. Duty of Notification for Material Defect and Transport Damages.

7.1 Within 14 days of handover of the Products, the Customer must inform the Supplier in writing of any obvious material defects in the Products, wrong deliveries or other shortages not caused by the transportation. In addition, the clause 377 HGB (Commercial Law Statute) will apply.

7.2 If the goods are delivered by a carrier, the Customer may in the case of external visible transport damage and transport losses only accept the goods if he has noted these damages and losses on the freight document and the remark has been countersigned by the carrier. The Supplier is to be immediately informed of this. This also applies if according to external conditions (e.g. damage to packaging) damage or losses are to be expected.

7.3 Any deviations from the delivery note must be confirmed by the carrier of the Products. The Customer must notify the Supplier of any such deviations within 14 days from receipt of the Products.

7.4 The carrier of the Products has to be notified immediately by the Customer of any latent defects in the delivered products, upon discovery of such by the Customer. In addition, the Customer has to notify the Supplier of these latent defects in writing and to stop processing immediately.

7.5 In the event that the Customer does not comply with clauses 7.1. to 7.4. of these Terms and Conditions, the Products will be considered as having complied with the terms of the purchase order.

8. Damages

8.1 No claims for compensation may be lodged by the Customer – including those of a non-contractual nature – for any minor negligent breach of duty by the Supplier, his managerial employees or other employees or other agents, unless such breach of the Supplier, his managerial employees or other agents concerns a duty that is crucial for the object of the contract.

8.2 The Supplier shall only be liable for indirect damage or damage which could not be foreseen at the time of conclusion of the contract if such damage is due to a gross fault on the part of the Supplier, one of his managerial employees or other agents.

8.3 The above limitations shall not apply to damage resulting from death, injury or damage to health. However, this shall not affect the applicability of compelling statutory liability regulations such as, for example, liability for the assumption of a guarantee or product liability law.

9. Guarantee

9.1 The limitation period for buyers in actions for breach of warranty is one year from the statutory commencement of the limitation period as set out in § 199 BGB (Civil Code).

9.2 The Supplier is only liable for breach of warranty subject to the following provisions and provided that the Supplier receives a complaint

- for obvious material defects immediately recognisable upon inspection of the products, within 14 days from the receipt of the products;
- for latent defects, immediately upon discovery of such a defect by the Customer.

9.3 In accordance with § 439 BGB (Civil Code) the Supplier is only obliged to remove the defect or supply of a thing free from defects. In the event that the Supplier is unable to or fails to replace the damaged products the Customer will have a right to either rescind the contract or request that the Supplier grant the Customer a reduction in the price within the limits imposed by the BGB (Civil Code). Claims for damages as defined in section 8 shall remain unaffected by the above. The Customer will not have any further claims against the Supplier for damaged products all the same from contract or law, esp. not for claims of damages in case of consequential harm caused by a defect.

9.4 Any guarantee agreement must be made in writing. A statement of guarantee shall only be effective if it describes the content of the guarantee and the duration and physical scope of guarantee protection in sufficient detail.

9.5 The properties of the goods shall as a general rule only include the properties as stated in the product description, specifications and labeling of the Supplier. Public statements, claims or advertising shall not be classed as information on the properties of the item for sale.

10. Retention of Title

10.1 Reserved Products means the products in which the Supplier retains title.

10.2 The Products delivered by the Supplier shall remain the sole and absolute property of the Supplier as legal and beneficial owner until such time as all the Supplier's demands arising out of this business relationship, including setting accessory claims and claims for damages and honoring checks and bills and all future demands arising out of simultaneous or subsequent contracts have been met. This provision will also apply in the situation where the Supplier's demands have been incorporated in a current invoice.

10.3 The Buyer shall be under obligation to provide, on behalf of the Supplier, adequate storage of the item at his expense and to insure the same at his expense against loss and damage up to an extent which may reasonably be expected of a prudent businessman. The buyer assigns in advance to the Seller any claims which may accrue to him under the insurance policies. Upon the Supplier's request, the Customer is obliged to provide the Supplier with a complete inventory of the Reserved Products.

10.4 At the point in time where the Customer carries out modifications to the Product or incorporates the Product into another product as a part thereof, the Supplier will be considered the manufacturer of the new product and will be a coowner of the new product.

The Supplier's ownership in the new product will be proportionate to the value of the Reserved Products. If the Customer sells the Reserved Products to a third party the Supplier will have a claim against the third party as well as against the Customer for any outstanding payments until such time as payment in full has been made for the Reserved Products.

10.5 If the Customer transfers the Reserved Products to a third party the Customer is under an obligation to notify the Supplier of such a transfer and to hand over any documentation relating to such transferred Reserved Products.

10.6 The Customer's right to dispose of the Reserved Products in the normal course of business will terminate if the Customer is in default of his payments, becomes insolvent, has gone into receivership or bankruptcy proceedings (or similar proceedings) have been initiated against the Customer or if he and his customers have concluded an agreement according to which the Customer must not assign his claims on them to third parties.

10.7 The Customer will only be allowed to place a charge over the Products or assign the Products to a third party as security, with the Supplier's prior consent.

10.8 The Customer is obliged to inform the Supplier if either the court or a third party has obtained a right over or in the Reserved Products.

10.9 If the country into which the Reserved Products are imported does not recognise the right of retention of title, the Supplier may request from the Customer that it provide other securities similar in value to the Reserved Products (for example, a third party guarantee). The Customer shall do and execute all such lawful and necessary acts, deeds, documents and things within its power to ensure that the Supplier obtains the necessary security in the value of the Reserved Products. The Customer is obliged to notify the Supplier immediately should any of the securities granted to the Supplier be endangered by a claim brought by a third party.

10.10 If the value of the security provided to the Seller exceeds the value of the claims to be safeguarded by more than 20 percent, the Supplier shall, at the Customer's request, release security of his own choice accordingly.

11. Termination of Contract in the Event of Insolvency

If an insolvency proceeding against the Customer is either being applied for or has already been started the Supplier is entitled to terminate the contract.

12. Place of Performance, Jurisdiction, Governing Law

12.1 The place of performance for all reciprocal duties under these Terms and Conditions will be the Supplier's place of business, provided the Customer is a trader, a legal entity in the public sector or a special investment body under public law.

12.2 These Terms and Conditions shall be considered as a contract made in the country in which the Supplier has its place of business and is subject to the exclusive jurisdiction of the country in which the Supplier has its place of business, to which both parties hereby submit.

12.3 These Terms and Conditions shall be considered as a contract made according to German Law.

12.4 In the event that the clauses in these Terms and Conditions are unclear the Supplier and Customer agree and acknowledge herewith that the original German Terms and Conditions (Allgemeine Liefer- und Zahlungsbedingungen) should be applied to govern the business relationship between the Supplier and the Customer.

12.5 Application of the Uniform law on the International Sale of Goods and the Uniform Law on the Formation of Contracts for the International Sale of Goods and of the UN agreement on the sale of goods shall be excluded.

12.6 Customary trade terms shall be interpreted in accordance with the Incoterms effective at the time.

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