

§ 1 Validity

(1) The following „General Terms & Conditions of Business“ apply to business relations with our customers, particular for deliveries of products and orders, services, information and advice connected to products. If particular agreements have been made individually, which deviate from our terms & conditions of purchase, the remaining terms & conditions of purchase are hereby unaffected.

(2) If our General Terms & Conditions of Business are established in dealings with the customer they also apply for all further business relations between the customer and ourselves, unless otherwise agreed in writing. General Terms & Conditions of Business of the customer only apply if and to the extent that they are expressly acknowledged in writing by ourselves. In particular our silence regarding such deviating provisions does not count as acknowledgement or acceptance, also in future contracts.

(3) Our General Terms & Conditions of Business are applicable in place of any General Terms & Conditions of Business of the customer, such as terms & conditions of purchase, even if after these, the acceptance of the order is to be taken as the unconditional acceptance of the General Terms & Conditions of Business. The customer expressly acknowledges that by accepting our order confirmation that they waive their objection in their General Terms & Conditions of Business.

(4) These General Terms & Conditions of Business are exclusively applicable vis-à-vis entrepreneurs as per § 14 German Civil Code (BGB).

§ 2 Information, advice, product characteristics

(1) Information and advice and other services provided by ourselves are provided exclusively on the basis of our prior experience. Our information about our products is based on our development work and our application technological experience. Values given here are to be taken as average values. All information about our products and services, in particular information in our quotations and printed matter containing illustrations, drawings, summaries, performance data and other information are to be regarded as approximate average values. We provide these results in spoken and written form to the best of our knowledge and we do not accept any further liability in respect of individual contracts regarding this.

(2) Our product descriptions and information do not form any guarantees regarding quality or durability as per § 434 German Civil Code (BGB), unless we have confirmed this in writing with the buyer beforehand or if quality is specified in a written contract of purchase with the customer. This does not, however, release the customer from checking our results and processes related to their application for their own use themselves before purchase.

(3) Reference to norms, similar technical regulations and technical information, descriptions and illustrations of the goods/services to be supplied in quotations and literature and our advertising only constitute quality information if we have expressly declared the quality as a „characteristic“; otherwise they are non-binding general descriptions of performance.

(4) A guarantee is only assumed by us if we have described the characteristic or performance in writing as „guaranteed“.

(5) We only assume liability for the usability of our products for the purpose envisaged by our customers if we have agreed to this in writing.

(6) We reserve the ownership rights and copyright to illustrations, drawings, cost estimates and other documents regarding our products and services. The customer is obligated not to make documents described in the above sentence available to third parties unless we have given our express written permission to do so.

§ 3 Specimens / Samples

(1) Only if particularly agreed, we will provide the customer with a specimen / sample of the ordered goods prior to manufacturing of all the goods. The characteristics of specimens or samples will only become a component of the contract if this is expressly agreed in writing. The customer is not entitled to utilise and disseminate specimens and samples.

(2) The customer indemnifies us against any third party claims for infringement of intellectual property rights if orders are made on the basis of specifications made by the customer (drawings, samples etc).

§ 4 Conclusion of the contract, scope of services, performance risk, procurement risk

(1) Our communications designated as „quotations“ are without obligation. They are requests for orders / commissioning. A contract first comes into force when the customer's order is confirmed in writing or written format, also in ongoing business relations. The order confirmation is decisive regarding the content of the contract. Our order confirmation may be replaced by our invoice or delivery note in the event of immediate provision of products / services.

(2) The assumption of procurement risk to deliver items merely defined on the basis of a class is not solely our responsibility. We are only obligated to deliver from our stock unless otherwise expressly agreed in writing.

(3) We are entitled to immediately obtain all required material for the total order for call-off orders or customer-related delays in acceptance and to immediately manufacturer all the items in the order and to re-sell items and/or carry out the order in the case of customer-related delays in acceptance. Any changes the customer wishes to make cannot be taken into consideration after the order has been made unless this was expressly agreed in writing.

(4) The customer shall inform us in writing and in a timely manner prior to the conclusion of the contract of any special requirements they may have for our products or services.

(5) Regarding the delivery of products we are entitled to supply more or less than the ordered quantity by number of items or by weight up to 5% of the order volume or the volume given in the order confirmation.

(6) If the acceptance of the performance, the acceptance of a service or the product or shipping is delayed, for a reason for which the customer is responsible the customer shall not issue any orders for delivery until the end of the agreed delivery time or should the customer culpably not comply with a contractually agreed call-off obligation within the agreed period or in the event of there not being an agreed period, within 4 months, we are entitled, without prejudice to further or other types of rights to demand immediate payment after giving a period of 10 days and the expiry thereof, or to withdraw from the contract, or to reject fulfillment and claim damages in place of complete performance. This notice period must be given in writing or written format. When giving this notice period we must again refer to our rights under this clause. If damages are claimed the damages payable are 20% of the net delivery price. The customer reserves the right to prove an alternate level of damages or that damages were not incurred.

(7) If the shipping or collection of the products is delayed at the customer's request or for reasons for which the customer is responsible we are entitled to store the products at the sole risk of the customer and to charge the customer a fixed rate of 2.5% of the net invoice amount for each month commenced for costs arising as a result of this beginning with the point in time from when the products should have been shipped or collected by the customer. The customer reserves the right to prove alternate costs for storage or that costs were not incurred. In addition, we are also entitled to otherwise dispose of the contractual products after expiry of a notice period and to re-supply the customer within a reasonable period.

(8) If the customer delays the order or call-off we are entitled to postpone the delivery or performance for the same time period as the customer's delay.

(9) We only assume responsibility for deliveries from our own stock and production. We will generally not assume procurement risk, in particular we are not obligated to deliver items defined on the basis of a class. Rather procurement risk will only be assumed by us if we expressly declare in writing „We assume the procurement risk“.

§ 5 Performance, time of performance, default

(1) Binding performance / delivery dates and periods must be expressly agreed as such with us in writing to be effective. If such a particular agreement is not made, or if the performance / delivery dates and periods are agreed to be approximate then these dates/periods are unbinding. In this situation we will use our best endeavours to adhere to these dates/periods.

(2) Performance / delivery periods commence on receipt of our order confirmation by the customer, however not before all details for implementation of the order have been clarified and other conditions to be met by the customer have been met, in particular not before any agreed advance payment has been made. The same applies for performance / delivery times. If the customer requires alterations after the order has been placed a new, reasonable delivery period commences on confirmation of the alterations by us.

(3) Product deliveries before the end of the delivery period and partial deliveries are permissible as long as they are reasonable for the customer.

(4) The delivery time confirmed in writing is the delivery day. If there are multiple individual contracts running at the same time regarding identical products we are entitled to determine the order in which these individual contracts are fulfilled. The interest in our performance is only not applicable in the absence of another written agreement if we do not deliver substantial parts or delay delivery thereof.

(5) For product deliveries where the place of performance is the debtor's domicile the day when notification is given that the goods are ready to be shipped is the day of delivery, otherwise the day the product is sent.

(6) The delivery / performance will take place - unless otherwise agreed - in the case of long-term contracts on call-off and also in the case of individual contracts within the agreed delivery / performance periods at our own discretion. We may deliver the product/goods on the 1st working day after the contract is concluded and at anytime during the delivery / performance period during normal business hours.

(7) A particular delivery / performance time on a particular day or in a calendar week requested by the customer may be recorded on our order confirmation to the customer. This is hereby not associated with a binding obligation on our part that the delivery /performance time will also be adhered to. We will however endeavour to adhere to the delivery / performance time. If this is delayed we will inform the customer in a timely manner.

(8) If we default the customer must initially give us a reasonable period in which to effect performance. If this period elapses unsuccessfully claims for damages for infringement of obligations only arise - regardless for what reason - in conjunction with the provisions in § 11 (Exclusion and limitation of liability).

(9) The buyer is obligated in cases of delayed delivery to declare at our request within a reasonable time period whether they withdraw from the contract due to the delay or whether they insist on delivery.

(10) We are not in default as long as the customer is in default regarding the fulfilment of their obligations vis-à-vis ourselves, even those arising from other contracts.

(11) In the event of default caused by culpable or grossly negligent behaviour on our part the customer has the right to reimbursement of damages demonstrably arising as a result of the default in accordance with the restrictions in § 11 (Exclusion and limitation of liability). In cases of gross, simple and slight negligence damages are restricted to typical and foreseeable damages.

(12) If the customer does not accept the products or services despite being legally obligated to do so we are entitled to bring about an assessment of damages. For product deliveries this will take place inter alia through public auction to third parties or price determination by an expert. If the threatened public auction does not take

place or does not take place in due manner of time the right to claim damages is still available. The damage assessment will then take place through price determination by an expert. The date for the damage assessment shall be in any event the first working day after the end of the period.

(13) We may at anytime deliver an alternative third party product which is comparable to our product in terms of function and quality if we are unable to deliver our own product for technical reasons or due to an underlying delivery from our suppliers despite proper provision and we will credit the customer any price difference unless it has been expressly agreed in writing that we will deliver our own products.

(14) We reserve the right to make alterations to our products, series and models. We are entitled to deliver a product / series / model corresponding or approximate in function, quality and design to that ordered if we are unable to deliver the ordered product for technical reasons or due to an underlying delivery from our suppliers despite proper provision and we will credit the customer any price difference.

(15) We may fulfil our obligations using subcontractors at any time.

§ 6

Self-supply reservation; force majeure and other hindrances

(1) If we do not receive, do not correctly receive or do not receive deliveries or services on time from our sub-suppliers or subcontractors, despite proper provision, for reasons for which we are not responsible, or in cases of force majeure we will inform the customer in writing or written format in due time. In this situation we are entitled to postpone the delivery / performance for the duration of the hindrance or withdraw from the contract in whole or in part in reference to the unfulfilled part of the contract as long as we have complied with our above duty to provide information and we have not undertaken the procurement / manufacturing risk. Force majeure encompasses strikes, lockouts, intervention by the authorities, energy and raw materials shortages, transport bottlenecks which are not our fault, operating hindrances which are not our fault for example damages caused by fire, water and machinery and all other hindrances which were not culpably caused by us from an objective viewpoint.

(2) If a delivery / performance time / period is agreed as binding and we will exceed this agreed delivery / performance time / period due to circumstances listed in the above § 6 para. (1) or in the case of unbinding delivery times it is not longer objectively reasonable for the customer to adhere to the contract the customer is entitled to withdraw from the non-fulfilled part of the contract. The customer does not have any further rights in this situation, in particular the right to claim damages.

§ 7

Shipping, packaging and transfer of risk

(1) Unless otherwise agreed in writing shipping of products will be ex works, uninsured at the risk of the customer and to be borne by the customer. We reserve the right to choose the transport route and method. We will however endeavour to take the customer's wishes regarding method and route of transport into consideration; additional costs thereby incurred will be borne by the customer, also when free carrier shipping is agreed. If shipping is delayed at the request of the customer or the delay is caused by the customer, we will store the products at the customer's risk and the cost is to be borne by the customer. The same applies to the notification that the goods are ready to ship. Partial delivery / performance is permitted and may be separately invoiced.

(2) Risk of accidental destruction or deterioration is passed to the customer in the event of an obligation where the place of performance is the debtor's domicile on transfer of the products and goods to be delivered to the customer, in the event of an obligation to be performed at the creditor's domicile on transfer to the carrier, the shipper or the company carrying out the delivery, however at the latest when the products and goods leave our factory, warehouse or branch.

(3) If dispatch is delayed because we exercise our right of retention due to partial or total default on payment by the customer or for another reason for which the customer is responsible, the risk passes to the customer at the latest from the date of the notification that the goods are ready to ship.

(4) If the customer or a third party appointed by the customer is to collect the product, the collection time is to be confirmed with us by three days before the delivery date at the latest.

(5) The method of shipping and the packaging are to be decided at our reasonable discretion, unless otherwise agreed.

§ 8

Defect notification duty, infringement of obligations, liability for material defects

(1) Recognisable infringements of obligations due to defective performance (e.g. defects) are to be reported by the customer immediately, at the latest however within 12 days of the provision of the service - also regarding part of the service used by the customer - hidden defects are to be reported immediately, at the latest within the guarantee period stated in § 8 para. (10).

Defects not reported in due time exclude any defect claims by the customer.

(2) Defect notification is to be carried out in writing. Defects not reported in the correct manner exclude any defect claims by the customer. Defect notifications which do not give an exact designation of the article number and information particulars of the affected item of a batch are invalid.

(3) When products are shipped, recognisable defects must be also reported to the transport company on delivery and the defects recorded by them. Defect notifications must contain the best possible detailed description of the defect. If weight and quantity defects are recognisable after the customer has fulfilled their above duty to examine the goods on delivery, the customer shall complain to the transport company regarding this defect on receipt of the products and goods and require a confirmation of the complaint. Notifications not made in due time exclude any infringement of obligation claims due to defects by the customer.

(4) A warning notice is to be issued immediately following infringement of obligation, giving a reasonable notice period in which to carry out remedial action before other rights of the customer are asserted.

(5) The customer is deemed to have accepted the delivered products in accordance with the contract on commencement of processing, combining or mixing with other items. The same applies when the goods are shipped on from the original destination. It is the customer's responsibility to ascertain whether the delivered products are suitable for the processing, operation and other use intended by them through testing which is appropriate both in scope and methodology before beginning one of the above described activities.

(6) If a defect notification is unjustified, we are entitled to demand compensation from the customer for our costs which have arisen as a result.

(7) If there is a defect, this will be rectified by ourselves free of charge or remedied through replacement delivery or production of new goods with exception of cases of delivery regress in accordance with §§ 478, 479 German Civil Code (BGB); we are entitled to two attempts at rectification. Defects for which the customer themselves are responsible for and unjustified complaints will be rectified by us on behalf of and at the expense of the customer, insofar as the customer is a registered trader.

(8) We are only liable for rectification of defects and replacement delivery / new production in the country in which we sold our products to the customer or have delivered the goods to / provided services in, in accordance with the provisions of the contract.

(9) Claims of the customer regarding the expenses required for the purpose of supplementary performance, in particular transport, infrastructure, labour and material costs are excluded insofar as the expenses are increased because the delivery items are subsequently moved to a location other than the agreed place of delivery. This does not apply in cases of delivery regress in accordance with §§ 478, 479 German Civil Code (BGB) and in cases of bad faith, wilful misconduct or undertaking a guarantee.

(10) We provide a warranty for demonstrable defects for a period of one year calculated from the day the statutory limitation period commences unless otherwise expressly agreed in writing, or in the case of § 478 German Civil Code (BGB) (right of recourse) or a claim for damages regarding damage to health, life or body and / or intentional or bad faith acts or a claim in accordance with the German Product Liability Act regarding a defect on our part, or if the goods are used for construction work not in accordance with their normal application and this caused the defect. The guarantee period for the rights of the customer regarding defects in work performance begins on acceptance of the goods / services.

(11) Further claims by the customer due to or in connection with defects or consequential damages regardless for what reasons can only be made in accordance with the provisions in § 11 (Exclusion and limitation of liability).

(12) Our guarantee and the liability arising therefrom is excluded insofar as defects and damages associated with these defects are not demonstrably based on our faulty products or faulty performance. In particular the guarantee and liability are excluded for the consequences of faulty or natural use of the products, the consequences of physical, chemical or electrolytic influences on the products which do not meet the envisaged average standard influences, in the event of unsuitable or improper use, faulty assembly / commissioning by the customer or by permitted third parties, natural wear and tear, incorrect or negligent handling and improper maintenance.

(13) Our liability in accordance with § 11 (Exclusion and limitation of liability) remains unaffected. The above provisions do not reverse the burden of proof.

(14) If the customer or a third party carries out incorrect repairs we are not liable for the resulting consequences. The same applies to alterations made to the product without our prior approval or changes to use not permitted by the manufacturer in relation to the use prescribed by the manufacturer.

(15) The customer only has a recourse claim vis-à-vis ourselves in cases where the goods have been sold on insofar as the customer has not made any agreements with their buyer going beyond the scope of statutory defect claims.

(16) The recognition of infringements of obligations, particularly in the form of deliveries of products affected by defects, must be made in writing in order to be valid.

§ 9

Price, payment terms, default, objections due to uncertainty withdrawal, right of retention

(1) Alle Preise verstehen sich grundsätzlich in EURO zuzüglich Verpackung, Fracht ab Lieferwerk oder Lager, zuzüglich vom Kunden zu tragender Mehrwertsteuer in der jeweils gesetzlich vorgeschriebenen Höhe.

(1) All prices are generally given in Euro excluding packaging, shipping from manufacturer or warehouse plus VAT at the current statutory rate to be paid by the customer.

(2) Services which are not a component of the scope of supply will be performed on the basis of our current valid general price list, unless otherwise agreed.

(3) We are entitled to unilaterally reasonably increase prices (§ 315 German Civil Code (BGB)) in the event of an increase in material procurement costs or production costs, taxes, wages and associated social costs and energy costs and costs of environmental requirements if these occur for more than two months between the conclusion of the contract and delivery. An increase as described above is excluded insofar as the cost increase with regard to the above factors is offset through a cost reduction of other named factors regarding the overall cost of delivery. If the overall cost of production decreases in the above mentioned way with reference to the contractual delivery / performance, the resulting saving based on the contractual delivery / performance shall be passed on to the customer.

(4) If we bear the shipping costs by contract, by way of an exception, the customer shall bear additional costs arising from increases in shipping rates after the conclusion of the contract.

(5) Our invoices are due for payment within 30 days of delivery / performance without any discount. We are also entitled to require payment on delivery of the product if there are objective indications of the customer's inability or unwillingness to pay, in particular if the customer is in default with settling our outstanding receivables. If a cash discount has been agreed, this is to be calculated on the net amount and is only permissible, if all liabilities older than 30 days arising from the customer's business relationship with us have been fulfilled. Buyer credits are only to be considered as an invoice when expressly agreed. In these cases invoice amounts are to be paid arriving with us within 30 days after transfer of the goods without any discount, unless otherwise agreed.

(6) We are entitled to first offset payments against the older debts of the customer in spite of customer provisions to the contrary; we will inform the customer accordingly. If interest and costs are currently outstanding, we are entitled to credit payments against the costs first, then the interest and finally the principal service.

(7) The customer will enter into default without a reminder within 31 days after our delivery / service or within 31 days after our notification that the goods are ready for deliveries ex works. If a binding payment date was agreed the customer will enter into default if this payment date is not complied with.

(8) When the customer enters into default due date, interest will be charged at the amount of 8 % over the base rate. Interest will be charged at a lower rate, if the customer can prove lower costs; we are permitted to prove we have suffered a higher amount of damage.

(9) In addition, we have the right to withhold deliveries / services in the event of default by the customer based on all contracts with customer until they have been fulfilled in full. This right of retention may be averted by the customer through presentation of an open ended absolute bank guaranty from a major German bank or a deposit guarantee from a communal affiliated credit institution for the amount of all due receivables.

(10) The day of payment is deemed to be the day the money is received by us or credited to our account. The right to assert more substantial damage claims is reserved. In addition, if the customer defaults on the fulfillment of a receivable all further receivables arising out of the business relationship become immediately due for payment.

(11) If payment terms are not adhered to or circumstances are known or are identifiable which according to our judgement as cautious businessmen cast doubts on the credit-worthiness of the customer and also matters which were already present on conclusion of the contract, which were not known to us or should have been known to us, we are entitled in these situations without prejudice to further legal rights to suspend delivery or further work on going orders and to require payment in advance or the provision of objectively adequate securities for outstanding deliveries and to withdraw from the contract after a reasonable grace period for the delivery of such securities has elapsed unsuccessfully without prejudice to further legal rights. The customer is obligated to pay us damages arising from non-execution of the contract.

(12) If payments are deferred and made later than agreed for the deferred period, interest in the amount of 8 % above the base rate at the time the deferral agreement is concluded without requiring a notice of default.

(13) The customer only has the right of retention or set-off in regard to such counterclaims which are undisputed or legally binding, unless the counterclaim is in reference to the infringement of a fundamental contractual obligation by us. The customer may only exercise their right of retention when the counterclaim is based on the same contractual relationship. „Fundamental contractual obligations“ are such obligations which protect the fundamental contractual legal position of the customer which are granted to the customer by the contract in accordance with its content and purpose; in addition, such contractual obligations are essentially those whose fulfillment makes the proper implementation of the contract at all possible and adherence to which the customer regularly relies on and may rely on.

(14) Our price lists and all general price information are without obligation, unless we have expressly designed them as binding in writing.

(15) An application to open insolvency proceedings regarding the customer or suspension of payment by the customer not based on retention or other rights entitles us to withdraw from the contract at any time or make the delivery of the object of purchase subject to the prior fulfilment of payment obligations. If the object of purchase has already been delivered the purchase price becomes due immediately in the event of the above situations. We are also entitled to recall the object of purchase in the above situations and retain them until the purchase price has been paid in full.

(16) If the customer suspends payments or an application for insolvency is made, the customer is no longer entitled to sell, process, combine or mix goods subject to retention of title (see § 10 para. (1)). In this case, the customer must immediately arrange for separate storage and identification of the goods subject to retention of title and sums to which we are entitled from assigned receivables due to goods delivered received by the customer to be held for us in trust.

§ 10 Retention of title

(1) We retain title to all goods and equipment delivered by us (hereinafter referred to as „goods subject to retention of title“) until all our claims arising from the business relationship with the customer have been met, including all claims arising in the future from contracts concluded later. This also applies to balances in our favour, if individual or all claims by us are included in a running account (current account) and the balance has been struck.

(2) The customer shall sufficiently insure the goods subject to retention of title in particular against fire and theft. Claims made on the insurance of the goods subject to retention of title in the amount of the value of the goods subject to retention of title shall hereby be assigned to ourselves.

(3) The customer is entitled to sell the delivered goods on in the course of normal business. The customer may not otherwise dispose of the goods, in particular pledging or granting equitable liens. If the goods subject to retention of title are not immediately paid for by the new buyer when sold on, the customer is obligated to only sell the goods on subject to retention of title. The customer is no longer entitled to readily

sell the goods subject to retention of title on, if the customer suspends payment or defaults on payment to us. The same shall apply if the customer is part of a group of companies and/or when one of the circumstances listed in the above sentence occurs at the parent company.

(4) The customer hereby assigns us all receivables including securities and ancillary rights due to them arising from or in connection with the further sale of goods subject to retention of title vis-à-vis the end customer or third parties. The customer may not enter into any agreements with their customers which exclude or affect our rights in any way or annul the prior assignment of receivables. In cases where goods subject to retention of title are sold on with other items, the claims vis-à-vis third party buyers are deemed to be assigned to us in the amount of the goods delivered agreed between ourselves and the customer, provided that the amounts attributable to the individual goods cannot be identified in the invoice.

(5) The customer remains entitled to collect the receivables assigned to us until we revoke this entitlement, which we may do at any time. The customer is obligated to transfer information and documents required to collect the assigned receivables when requested by us and provided that we do not do so ourselves, to inform their customer of the assignment to us.

(6) If the customer incorporates their receivables arising from the sale of goods subject to retention of title into a running account relationship with their customer, they hereby assign us any recognised closing balance to their benefit in the amount corresponding to the total amount of the receivables arising from the further sale of our goods subject to retention of title which had been included into the running account relationship.

(7) If the customer has already assigned receivables from the further sale of goods delivered by us or to be delivered by us to third parties, in particular due to proper or improper factoring or other agreements made which could influence our current or future security rights in accordance with this § 10, we are to be immediately informed of this by the customer. In cases of improper factoring we are entitled to withdraw from the contract and to demand the return of the goods already delivered. The same applies in cases of proper factoring, if the customer is not able to freely dispose of the purchase price for the receivables in accordance with the contract with the factoring company.

(8) In the event of breach of contract, in particular on default of payment we are - without being required to withdraw from the contract - entitled to reclaim all goods subject to retention of title; the customer is in this case obligated to readily surrender the goods subject to retention of title, unless the breach of obligation on the part of the customer is insignificant. We may enter the customer's business premises at anytime during normal business hours to determine the status of the goods delivered by us.

(9) When reclaiming goods subject to retention of title, withdrawal from the contract is only acceptable if we have expressly declared this in writing or this is allowed for by mandatory statutory provisions.

(10) The customer shall immediately inform us in writing of all third party attempts to seize goods subject to retention of title or receivables assigned to us.

(11) Should the value of securities assigned to us in accordance with the above provisions exceed the secured receivables by more than 10%, we are obligated to release such securities of our choice at the request of the customer.

(12) Processing of goods subject to retention of title is carried out on behalf of us as manufacturer as per § 950 German Civil Code (BGB), without hereby obligating us. If goods subject to retention of title are processed or inseparably combined with other items not belonging to us, we will acquire co-ownership in the new items in relation to the invoice value of our goods to the invoice value of the other processed or combined items. If our goods are combined with other items into one single item and the other item is to be regarded as the main item, the customer shall hereby assign proportionate co-ownership to us. The customer shall hold the ownership or co-ownership on our behalf free of charge. The resulting co-ownership rights are considered goods subject to retention of title. The customer is obligated to provide us with the information required to enforce our ownership or co-ownership rights.

§ 11 Exclusion and limitation of liability

(1) We are not liable - save for in accordance with the below provisions - for claims of the customer for damages, regardless of the legal basis, in particular in the event of infringement of duties arising out of the obligatory relationship and in tort.

This exclusion of liability does not apply, insofar as our liability is not expressly stipulated by law, in particular:

- for our own culpable or grossly negligent infringement of obligations or culpable or grossly negligent infringement of obligations by our representatives or vicarious agents;
- for the infringement of fundamental contractual obligations and in the event of impossibility for which we are responsible and serious infringement of obligations;
- when in cases of infringement of other duties as per § 241 para. 2 German Civil Code (BGB) the customer can no longer be expected to accept our performance;
- in cases of damage to life, body and health, also by legal representatives and vicarious agents;
- insofar as we have undertaken a guarantee regarding the quality of our products, or the contract has been fulfilled, or procurement risk has been undertaken.
- in the event of infringement of the German Product Liability Act (Produkthaftungs gesetz); in the event of default if a fixed date was agreed on.

(2) In cases other than in accordance with § 11 para. (1) we are liable for all claims for damages or compensation made vis-à-vis ourselves in respect of this contractual relationship due to culpable infringement of obligations, regardless of the legal basis, except in cases of slight negligence.

(3) In the event of the above liability in accordance with § 11 para. (2) and strict liability, in particular in the event of initial impossibility and defects in title, we are only liable for typical and foreseeable damages.

(4) Liability for indirect damages and consequential damages is excluded, unless we have infringed a fundamental contractual obligation or if we, our executive employees or our vicarious agents are alleged to have infringed an obligation through culpable or gross negligence.

(5) Our liability is restricted to a maximum amount of 250,000.00 € for each claim with the exception of cases of bad faith, intentional acts and damage to life, body or health, undertaking a guarantee or procurement risk and mandatory differing statutory liability limits.

Any additional liability is excluded.

(6) The exclusion/restriction of liability in accordance with the above § 11 para. 1 - 5 applies to the same extent to the benefit of executive and non-executive employees, other vicarious agents and our subcontractors.

(7) Claims of the customer for damages arising out of this contractual relationship may only be made within an submission period of one year from the commencement of the statutory limitation period. This does not apply in the event of bad faith, intentional acts, gross negligence, damages to life, body or health or liability in accordance with the German Product Liability Act.

(8) The above provisions do not reverse the burden of proof.

§ 12

Intellectual property rights of third parties

(1) Unless otherwise agreed, we are merely obligated to provide the delivery / service free of third party industrial property rights and copyright in the Federal Republic of Germany. If a third party makes a legitimate claim for infringement of intellectual property rights regarding the products delivered by us to the customer, we are liable vis-à-vis the customer within a period of one year as follows:

a. We will initially attempt, at our discretion, to either acquire a usage right for the affected goods at our own expense or to alter the product so that the right is not legally infringed or will exchange the goods. If it is not possible for us to do so under reasonable conditions, the customer may exercise their statutory rights, but in accordance with these General Terms & Conditions of Business.

b. The customer may only exercise these rights, if they have immediately informed us in writing of the third party claim, have not acknowledged an infringement and we are solely responsible for all counter measures and settlement negotiations. Should the customer discontinue the use of the product in order to minimise damage or for other important reasons, the customer is obligated to inform the third party that no acknowledgement of the alleged infringement may be inferred from the fact that the use has been discontinued. If the customer in the course of using the product delivered by us is alleged by a third party to have infringed intellectual property rights, the customer is obligated to immediately inform us of this and to give us the opportunity to participate in any possible legal proceedings. The customer shall support us in every aspect when conducting such legal proceedings. The customer shall refrain from carrying out negotiations which could influence our legal position.

(2) Claims by the customer are excluded provided that they are responsible for the infringement of intellectual property rights. Claims by the customer are also excluded insofar as the intellectual property right infringement was caused by special customer requirements, by a use which was not foreseeable by us or caused by the fact that the customer altered the product or the product was used together with products not supplied by us.

§ 13

Product liability

(1) The customer will not alter the goods from a safety point of view, in particular the customer will not alter or remove existing warnings about the danger of unintended or improper use of the goods. If this obligation is infringed the customer shall internally indemnify us against product liability claims from third parties insofar as the customer is responsible for the error triggering liability.

(2) If we issue a product recall or a warning due to a product defect in the goods, the customer will support us and take all appropriate measures as instructed by us that are reasonable for the customer. The customer is obligated to bear the costs of a product recall or warning insofar as the customer is responsible for the product defect and the resulting damage in accordance with product liability law principles. Further claims by us remain unaffected.

(3) The customer shall immediately inform us of risks known to them regarding the use of the goods and possible product defects.

§ 14

Place of performance; jurisdiction; applicable law

(1) The place of performance for all contractual obligations is the place of the seat of our company.

(2) The place of the seat of our company also has jurisdiction for all disputes, unless another place has mandatory jurisdiction by law. We are also entitled to sue the customer at their general place of jurisdiction.

(3) The law of the Federal Republic of Germany is exclusively applicable for all legal relations between the customer and ourselves excluding the UN Convention on Contracts for the International Sale of Goods. The above provisions also apply if the customer is a foreigner or has their seat outside of Germany.

§ 15

Final provisions

(1) If commercial clauses have been agreed in accordance with International Commercial Terms (INCOTERMS), the INCOTERMS 2000 shall apply.

(2) Provisions intending to prohibit or restrict assignment contained in the buyer's General Terms & Conditions of Business particularly when the assignment is dependent on the buyer's prior consent, shall be deemed to be hereby denied.

(3) Alterations to these Terms & Conditions of Business will be made known to the customer in writing in the course of ongoing business relations. They are deemed to be approved by the customer, if the customer does not raise an objection in writing in a timely manner. We must expressly refer to this legal consequence in the notification of alterations. The customer must send their objection to us within six weeks after receipt of the notification of alterations.

(4) All agreements, ancillary agreements, undertakings and alterations to the contract must be made in writing. This also applies to the waiver of this written form requirement. Oral ancillary agreements or alterations / additions are void.

(5) An application to open insolvency proceedings regarding the customer or suspension of payment by the customer not based on retention or other rights entitles us to withdraw from the contract at any time or make the delivery of products or services subject to the prior fulfilment of payment obligations. If products have already been delivered or services provided, payment will become due immediately in the event of the above situations. We are also entitled to recall the products in the above situations and retain them until the purchase price has been paid in full. If the customer suspends payments or an application for insolvency is made, the customer is no longer entitled to sell, process, combine or mix goods subject to retention of title. In this case the customer must immediately arrange for separate storage and identification of the goods subject to retention of title and sums to which we are entitled from assigned receivables due to goods delivered received by the customer to be held for us in trust.

(6) The customer may not assign their contractual rights without our written permission. § 354a German Commercial Code (HGB) remains unaffected.

(7) Should a current or future provision of this contract be or become invalid / void or unenforceable in whole or in part, for reasons other than §§ 305 - 310 German Civil Code (BGB), this shall not hereby affect the validity of the remaining provisions of this contract insofar as an unreasonable hardship would not be created for one party, considering the following provisions regarding the implementation of the contract. The same applies, if a gap or omission becomes apparent after conclusion of the contract requiring supplementation. The parties will replace the invalid / void / unenforceable provision or the gap or omission requiring supplementation with a valid provision in accordance with the legal and economic content of the invalid / void / unenforceable provision and the overall aim of the contract.

Please note:

In accordance with the provisions of the Federal Data Protection Act (Bundesdatenschutzgesetz) we advise that our company is run using a computer system and we store data received from customers in connection with our business relationship.

Hemer, October 2010