

General Terms and Conditions of Sale, Delivery and Payment (as per June 1, 2009)**1. General / Scope of Validity**

- (1) Our Sale Conditions shall apply exclusively. We shall not recognize any conditions on the part of the Customer which are inconsistent with or different from our Sale Conditions unless we have expressly agreed in writing to their validity. Our Sale Conditions shall also apply to all future transactions with the Customer.
- (2) All agreements made between us and the Customer for the purpose of performance of the present contract are set down in writing in the present contract.
- (3) Our Sale Conditions shall only apply to companies as defined in Sec. 310 par. 1 BGB (Bürgerliches Gesetzbuch, German Civil Code).

2. Offers, Scope of Performance, Conclusion of Contract

- (1) Our offer shall be subject to change unless otherwise stated in the confirmation of order.
- (2) If a Customer's order qualifies as an offer pursuant to Sec. 145 BGB (Bürgerliches Gesetzbuch, German Civil Code), we can accept it within three weeks by sending a confirmation of order or an invoice or by sending the ordered goods to the Customer within this time limit.
- (3) As far as the production of the components requires the involvement of the Customer, the Customer shall be legally bound to cooperate with us.
- (4) We shall reserve to modify the construction, material, specification and type of the product also after sending the confirmation of order if such modifications are necessary from a technical point of view or lead to an improvement of the product.
- (5) We shall be entitled to perform partial deliveries to the Customer.
- (6) In case of special models, we shall reserve the right to delivery 10% more or less than the ordered number of units.

3. Prices and Conditions of Payment

- (1) Unless otherwise agreed, our prices shall apply ex works, not including packaging and other shipping and transportation costs. These shall be invoiced separately.
- (2) Our prices shall not include the legal VAT. This shall be indicated separately in the invoice at its respective legal amount on the day of billing.
- (3) If later modification requests from the Customer, that we have accepted, should cause additional costs, the accruing additional costs shall be additionally charged to the Customer.
- (4) Unless otherwise agreed, the final amount of the invoice including VAT (without deduction) shall be due for payment within 30 days from the invoice date. If payment is made within 10 days from the invoice date, we shall grant a discount of 2% of the invoice final amount.
With respect to the consequences of default of payment, legal regulations shall apply.

4. Offset and Right of Retention

The Customer shall only be entitled to offset rights if his counter-claims are determined to be legally valid, indisputable or recognized by us. Furthermore, the Customer shall be entitled to exercise his right of retention only insofar as his counter-claim is based on the same contractual relationship.

5. Delivery Time and Limitation of Liability

- (1) The begin of the delivery time indicated by us shall require the clarification of all technical questions.
- (2) The compliance of our delivery commitment further shall require the timely and duly fulfillment of the obligations of the Customer. The objection to non-performance of the contract shall be reserved.
- (3) If the Customer is in default of acceptance or should he culpably violate other obligations to cooperate we shall have the right to make claims for any damage caused to us, including possible additional expenses. Further claims shall remain reserved.
- (4) We shall be liable pursuant to the statutory provisions as far as the default in delivery is due to an intentional or grossly negligent violation of the contract within the scope of our responsibility or to a culpable violation of a material contractual obligation. In this case, however, our liability shall be limited to the foreseeable damages which may typically arise. The limitation of liability shall not include the claims for damages referred to in section 8 clause 5.

6. Shipping / Passing of Risk / Insurance

- (1) Unless otherwise stated in the confirmation of order, delivery ex works shall be agreed.
- (2) Shipping shall be at the Customer's risk even if our goods are delivered free of transportation charges and with insurance.

7. Reservation of Title

- (1) We shall reserve title to the goods until receipt of all payments due under the delivery contract. In case the Customer should act contrary to the contract and particularly in case of default of payment, we shall be entitled to take back the item of purchase. Our taking back of the goods shall constitute a withdrawal from the contract. After taking back the goods, we shall be entitled to exploit the goods. The proceeds of the exploitation shall be deducted from the customer's liabilities after deduction of reasonable exploitation costs.

(2) The Customer shall be obligated to handle the goods with proper care. In particular, the Customer shall be obligated to adequately insure the goods at his own expense against damages caused by fire, water and theft at replacement value.

(3) In case of distraint or any other affects by a third party, the Customer shall be obligated to inform us immediately in writing so that we can institute proceedings pursuant to Sec. 771 ZPO (Zivilprozessordnung, German Code of Civil Procedure). As far as the third party is not able to compensate us for judicial and extrajudicial expenses of a civil action pursuant to Sec. 771 ZPO, the Customer shall be liable for the loss incurred by us.

(4) The Customer shall be entitled to sell the goods in the normal course of his business. However, the Customer shall assign to us already now all claims to the tune of the invoice final amount (including value-added-tax) of our claim to which the Customer is entitled from the resale against his customers or against third parties. This assignment shall be regardless of whether the goods have been resold without processing or after their processing.

(5) We shall commit ourselves to release, upon request of the Customer, the securities we are entitled to as far as the value of the securities exceeds the claims to be secured by more than 10%. The choice of the securities to be released shall be incumbent upon us.

8. Liability for Defects in Quality and Other Claims for Damages

- (1) The Customer's claims for defects, as far as a commercial transaction pursuant to Sec. 343 HGB (Handelsgesetzbuch, German Commercial Code) exists, shall require that the Customer has duly complied with his duties to inspection and objection pursuant to Sec. 377 HGB.
- (2) As far as the goods are defective, we shall be obligated at our discretion to a subsequent performance in form of remedy of the defect or to delivery of goods free of defects. In case of the subsequent performance, we shall be obligated to bear all costs necessary to eliminate defects, in particular the costs for travel and transport, labour and material as far as these costs are not increased by the fact that the goods have been delivered to a place other than the place of performance. In case of the subsequent performance in form to the delivery of new goods, we shall be obligated to bear the costs of the reassembly of the goods just in case we were initially obligated to assemble the goods or the defect of the goods was culpably caused by us. We shall be entitled to deny the subsequent performance, in case the costs will be disproportional.
- (3) If the subsequent performance fails or is not appropriate in the meaning of section 439 paragraph 3 BGB (German civil Law Code), the Customer shall be entitled to request at his discretion reduction of the purchase price or cancellation of the contract.
- (4) We shall be liable according to the legal requirements as far as the Customer asserts claims for damages resulting from liability for defects in quality or other claims for damages on whatever legal grounds which are based upon intention or gross negligence also of our representatives and agents. As far as we cannot be charged with any intentional violation of the contract, our liability shall be limited to the predictable, typically occurring damages. The same shall apply in the event of violation of a material contractual obligation by us or of the Customer's right to claim damages instead of performance.
- (5) Liability for negligent violation of life, body or health shall remain unaffected. This shall also apply to the compulsory liability in accordance with the products liability law.
- (6) Liability shall be excluded if there is no contrary regulation in the aforementioned. In so far as our liability is ruled out or limited, this shall also apply to the personal liability for damages of our directors, employees, collaborators, representatives and agents.
- (7) The statutory period of limitation for claims for defects shall be 12 months from the day of the delivery. Liability for negligent violation of life, body or health shall remain unaffected. For these claims shall apply the statutory period of limitation.
- (8) The periods of limitation in case of a delivery recourse pursuant to Sections 478 and 479 BGB (Bürgerliches Gesetzbuch, German Civil Code) shall remain unaffected.

9. Infringement of Industrial Property Rights

Should we violate any industrial property rights of third parties by manufacturing any articles according to the purchaser's samples or drawings, the Customer shall be liable within the internal relationship for all damages incurred by us. In this respect, the Customer shall be obligated to indemnify us within the internal relationship from claims for damages of third parties.

10. Court of Jurisdiction and Place of Performance

- (1) As far as the Customer is a tradesman, the official location of our company in 78737 Fluorn-Winzeln shall be the place of jurisdiction for all proprietary legal disputes arising from the present contract. The same shall apply also to concurrent tort claims. However, we shall be entitled to sue the Customer also at the court of the Customer's domicile or place of business.
- (2) The law of the Federal Republic of Germany shall apply. Application of the UN Sales Law (CISG) shall be excluded.
- (3) Unless otherwise stated in our offer and confirmation of order, the official location of our company in 78737 Fluorn-Winzeln shall be the place of performance.