

General Terms and Conditions of Sales and Delivery

1. Scope of application

These delivery and payment terms apply to all business transactions with the buyer, even if no reference is made to them in later transactions. We hereby expressly object to the buyer's conditions of purchase, if any. These shall not become part of the contract unless we have consented thereto in writing; our acceptance of an order, or delivery by us, shall not constitute a consent. These delivery and payment terms do not apply to private consumers.

2. Conclusion of the contract, characteristics of the goods

Our offers are not binding. Contracts will only be made through our written order confirmation which shall determine the terms of the contract. If we do not confirm an order, the delivery contract is deemed to have been made upon delivery by us.

Descriptions and illustrations of our products shall only be considered as approximations. We reserve the right to make alterations to our products prior to delivery, in particular technical changes made in the course of our regular updating of products which, however, may not unreasonably prejudice the interests of the buyer.

3. Exclusion of cancellation and return

The cancellation or amendment of contracts, once concluded, shall require our express consent. The return of delivered goods requires our prior written consent.

4. Passage of risk, transport

Delivery shall be made ex works or ex warehouse. Risk shall pass to the buyer as soon as we have handed the goods over to the carrier, however, at the latest when the goods leave the works or warehouse. We are entitled but in no case, including deliveries abroad, obliged to take out transport insurance. In case of damage or loss in transit the buyer must promptly have the forwarding agent draw up a report of the circumstances.

Unless the buyer gives written instructions to the contrary, it shall be for us to decide on the means of transport, the transport route and the transport insurance without being responsible for choosing the quickest or cheapest possibility.

5. Partial deliveries

We are entitled to execute orders in partial deliveries which shall be treated as independent deliveries and which must be paid for separately within the terms agreed upon. If payment for a partial delivery is delayed, we can suspend execution of the remainder of the order.

6. Delivery period

Specifications of delivery periods are non binding, even if contained in our order confirmation, unless we have expressly stated that they are binding. The delivery period commences on the date of our order confirmation, however not before all the details of the order have been worked out, in particular not before the buyer has provided all the documents, permits and approvals required, and not before receipt of an agreed down payment. The delivery period is met

if, by the time at which it lapses, the goods have been shipped or notification has been given that they are ready for shipment.

If delivery is made impracticable by force majeure, then the delivery date will be extended automatically by the time of the event constituting force majeure plus an appropriate start-up period. Unforeseeable circumstances which make delivery unreasonably difficult or impossible for us, such as delays in delivery by suppliers, labour disputes, acts of authority, raw material or energy shortages, plant and transport interruptions of all kinds, etc., shall have the same effects as force majeure. If these circumstances last more than four months, we have the right to withdraw from the contract. At the buyer's request we shall state whether we wish to withdraw from the contract or to deliver the goods within a reasonable period of time to be determined by us.

If we are responsible for exceeding a not binding delivery deadline, we shall nevertheless not be in default before the buyer has granted us an additional period for delivery of at least 30 days and this period lapses without avail. Subsequently the buyer may withdraw from the contract.

7. Price

The buyer must pay the list price current on the day of delivery. If, contrary to this, a fixed price was agreed upon, we may instead charge the list price current on the day of delivery. If the price increase is more than 5 % of the agreed price, then the buyer may, by informing us in writing, withdraw from the contract within 14 days after receiving notice of the price increase.

Our prices are in EURO and, as the case may be, ex works or ex warehouse.

Prices shall be calculated according to such quantity or such weight, respectively, as is determined by us. The buyer may nevertheless show that the quantity or weight determined by us is wrong. Value added tax and shipping costs, in particular freight, transport insurance, customs duties and customs clearance duties as well as packing charges shall be borne by the buyer even if they are not itemized separately.

8. Payment

Payment shall be made as agreed upon by contract. Payments will always settle the oldest invoice. We are not obliged to accept bills of exchange. If we accept means of payment other than cash or transfer, these will only be accepted on account of performance. All payments must be effected free of charges for us. Bank charges, discount charges and collection charges shall be borne by the buyer, even without express agreement.

If the net payment date has expired, we are entitled to charge, without reminder, interest at a rate of 8 % over the basis rate or interest of 'Deutsche Zentralbank'.

If after conclusion of the contract the buyer's financial circumstances are substantially impaired, or if any earlier impairment of the buyer's financial situation does not become known to us until after conclusion of the contract, we are entitled to request either advances or the grant of a

proper security interest, whichever we wish. If this request is not met, we have the right, after expiry of a reasonable period of grace, to withhold performance of the contract.

The buyer cannot offset a counter-claim which is disputed by us and which has not become *res judicata*, nor may he, in respect of such a counter-claim, exercise any right of retention.

Payments made to our representatives or employees shall only be effective if a written authority to collect is submitted.

9. Special productions

Where products are manufactured by us according to the buyer's requirements, specifications etc. the buyer shall bear sole responsibility for the correctness of the said requirements and specifications. He shall indemnify us against all claims made by third parties against us, or against a firm called upon by us, on the basis of industrial property rights or copyrights.

With custom-made products, delivery quantities which deviate by + or – 10 % from the quantity agreed shall be deemed to conform to the contract. Our purchase price claim shall increase or decrease accordingly. The details of these orders must be agreed upon separately.

10. Reservation of property rights

The goods supplied shall remain our property until the ordering party shall have settled all claims that we may have against him both now and in future.

The ordering party may process the goods in respect of which we have reserved property rights in the context of regular business operations, unless he should be in arrears of payment or should have discontinued his payments. In the case of processed goods, it is hereby agreed between us already as of now that we shall be entitled to a share in the proprietary rights in respect of the new goods that have been created as a result of the processing. This shall correspond to the value of the goods in which we have reserved property rights in relation to the value of the other articles processed. The ordering party shall hold the new article that has been created as a result of the processing on our behalf. The same shall apply if the ordering party combines or links the goods in which we have reserved property rights with other objects or incorporates the goods in the same.

The ordering party may dispose of the goods in which we have reserved property rights or in which we have co-proprietary rights in the context of regular business operations, unless he should be in arrears of payment or should have discontinued his payments. He may not pledge the goods or assign them as security. If the ordering party disposes of goods in which we have reserved property rights, he shall assign to us already as of now, until the settlement of all our claims on him, all claims on his customers that accrue to him as a result of the sale, together with all collateral rights, securities and reserved property rights. We shall be entitled to call on the ordering party to notify his customers of this assignment and to give us all information and

documentation that may be necessary for the recovery of claims. The ordering party may however recover the claims that he has assigned to us, unless he should be in arrears of payment or should have discontinued his payments. If the claims of the ordering party resulting from the further disposal of the goods in which we have reserved property rights have been adopted on an open item account, he shall already as of now assign to us his claim to payment from the given or acknowledged balance, this to the amount to which claims based on the further disposal of the goods in which we have reserved property rights are included in the same. If we only retain shared proprietary rights in respect of the goods in question, the above-mentioned assignment shall apply only to the amount of the value of our co-ownership. If goods in which we have reserved property rights or in which we are entitled to co-ownership have been disposed of together with other goods at an overall price, the above-mentioned assignment shall apply only to the amount of the accounting value of the goods in which we have reserved property rights or to the amount of the value of our co-ownership.

If the value of the goods in which we have reserved property rights, together with the other securities granted us, should exceed our claims on the ordering party by more than 20%, we shall be obliged on that account to release the goods on his request.

If the ordering party falls into arrears of payment or discontinues his payments, we shall have the right to insist on the return of the goods in which we have reserved property rights. This shall entail a withdrawal from the contract only if we give explicit notice of this in writing.

11. Defects

We are only liable for defects in our goods if the buyer notifies us in writing thereof w

ithout delay, at the latest 10 days after receipt of the goods, and in the case of hidden defects, within 10 days after the defect has become apparent. We are not liable for defects that are not notified within the deadlines mentioned above.

Our liability is limited to delivery, free of cost, of replacements free from defects. Upon request, the defective goods or a sample thereof are to be sent to us first for examination. If it is not possible to deliver defect-free replacements, if we refuse to perform or if there are special circumstances which, after taking both parties' mutual interests into consideration, justify the immediate enforcement of further legal remedies, or if a reasonable deadline set by the buyer for improvement has expired without result, the buyer is then entitled to withdraw from the contract or to demand a reduction of the price. Claims for damages are restricted to typical foreseeable damage.

12. Claims for damages

Claims of the buyer for damages resulting from a breach of duty, from tort or other reasons are excluded unless this is based on intent, gross negligence, injury of a primary fulfillment obligation, the acceptance of a purchasing risk or a guarantee claim or if we are liable in accordance with the provisions of the Product Liability Law or we are responsible for culpable damage which resulted in loss of life, personal injury or damage to health. In all cases claims for damage are restricted to typical foreseeable damage.

13. Applicable law, place of fulfilment, legal venue

The legal relations between the buyer and ourselves shall be governed exclusively by the laws of the Federal Republic of Germany. Application of the agreement of the United Nations dated 04/11/1980 about contracts concerning the international purchase of goods is excluded. The place of fulfilment for the performances of both contracting parties is D-78713 Schramberg, FR Germany.

All disputes arising out of or in connection with these delivery and payment terms shall be settled exclusively by the courts having jurisdiction over D-78713 Schramberg, Federal Republic of Germany. Alternatively we have the right to file a suit at the buyer's principal place of business or seat.