

Terms of Sale
(General Terms and Conditions of Payment and Delivery)

1. Scope

Unless deviations have been agreed for an individual case all sales, deliveries and other performances of our undertaking in the business-to-business relation are subject to the following terms and conditions. The same shall be the only ones to have effect. Confirmations of our customers deviating from or contradicting our conditions shall bind us only in a case and to the extent where we have consented to them expressively in writing.

2. Conclusion of contract, scope of supply

- 2.1 Our offers are subject to chance without notice, unless they have been designated as a firm offer. No order shall be considered accepted before we have confirmed the same in writing or performed in compliance thereof.
- 2.2 No collateral agreement, guaranty or other agreement shall have effect, unless we have confirmed the same expressively in writing.
- 2.3 Any reference to standards, similar technical regulations, other technical specifications, descriptions and/or illustrations of the performance in offers, leaflets and other documents shall be considered a description of the performance only and no guaranty for quality. No defined quality may be considered as guaranteed, unless we have confirmed the same expressively in writing.
- 2.4 Delivery schedules plus their alterations and amendments shall be provided in writing.
- 2.5 Unless limits for permissible deviations have been defined expressively in the order confirmation, deviations shall be permitted within the frame of tolerances and relevant DIN-regulations as are customary for the trade. For standardized goods the tolerances outlined in the respective standard shall be considered the allowed tolerances. We reserve the right to proceed with technical modifications, even during the production process, to the extent where the same will have no detrimental effect on and will be reasonable for the customer.
- 2.6 Such conditions shall apply for current business contacts as well as all future business, unless expressive reference is made thereto, always provided, however, they have been sent to the customer in an order the supplier has confirmed in writing before.

3. Prices

- 3.1 All prices are ex works, subject to change without notice, packed to commercial standards, transport, customs, import incidentals and value-added tax in the statutory amount. Prices in our offers are valid 90 days.
- 3.2 Even for freight prepaid or duty paid shipments we are entitled to add to the agreed price additional charges like freight charges, cost of insurance and duties or charges (e.g.

customs duties, import and/or export fees), which are introduced or increased after conclusion of the contract.

3.3 We may make consideration in our prices for any increase in the cost of procuring materials, in particular raw materials, wages and incidental wage cost plus energy, provided, however, there will be a minimum time period of two months between the conclusion of contract and the date of delivery.

3.4 In the case of new orders (= follow-up orders) we are bound by no price of any previous order.

4. Periods of delivery

4.1 Binding periods and dates of delivery must be agreed expressly and in writing. They commence when the customer receives the order confirmation, but not before all details of how the order is to be processed have been settled and all other conditions the customer has to comply with, in particular when documents, approvals and releases have been given and an agreed prepayment has been received. The same will be prolonged by a reasonable time, when the contract is altered or amended or when the customer fails to perform his duties to cooperate in due time or adequately.

4.2 Deliveries ahead of the specified period of delivery have been allowed. The day when we notify the customer about our readiness to ship/provide the service shall be considered the date of delivery. We are entitled to shipments/a performance by successive instalments; the same will be invoiced one by one with payments to be made one by one as well.

Reasonable deviations from the specified order volumes in the range of plus/minus 10% are permitted.

4.3 Any default in delivery on our part, obligates the customer, according to the statutory provisions, to allot a minimum period of 4 weeks, within which we have to perform, unless the same can be done without. After an abortive elapse of this allotted period of time the customer may withdraw from the contract, but to such an extent only as the readiness to ship/provide the service has not been notified before such expiration of time. Claims for a compensation of damages and expenditures, for any reason whatsoever, exist under the proviso of the settlements specified in item 13 only.

4.4 We are in no default of delivery as long as the customer is in default with the performance of his obligations in our favour, even those resulting from other contracts.

4.5 In the case of call-off orders without any agreement about time of duration, production batches and pick-up dates we may, at the latest three months after having confirmed the order, request a binding definition of such date of performance. The customer failing to follow up on this request within three weeks, allows us to allot him a two weeks period of time to react and upon its elapse withdraw from the contract and/or claim damages.

4.6 The customer failing to perform his acceptance duty releases us from any obligation to comply with the regulations about self-help sales thus allowing us, without prejudice for

parting with other rights, to sell the delivery item by private contract upon prior notification of the customer.

5. Condition that supplies have arrived, force majeure and other handicaps

5.1 Should we, for good reason beyond our scope of responsibility, fail to receive deliveries or services from our suppliers at all, in insufficient number, or in good time, or in the case of any event that classifies as force majeure, we shall be entitled to either postpone our performance for the time of being handicapped or to withdraw from the contract totally or in part with respect to the portion remaining unfilled. As force majeure classify strike, lockout, interventions by authorities, shortages of energy and/or raw materials, transport bottlenecks, operational hold-ups and all other hold-ups, which under objective aspects are not due to our fault. The stipulations, as defined above, shall apply also in a case, where such circumstances arise, as we have defined above, after we have come to a delay in performance.

We will notify our customer without undue delay about any case of force majeure, as detailed in section 1 herein above. We will use our best efforts to minimize the effects on our customer, if needed, by handing over the moulds for the duration of the hold-up.

5.2 For any binding date or period of delivery that we are unable to respect on grounds of events as defined in section 5.1 herein above, the customer may request from us to declare within a period of two weeks, whether we wish to withdraw from the contract or perform within a reasonable additional period of time. Any failure on our part to make this declaration entitles the customer to withdraw from that part of the contract that remains unfilled.

6. Shipment and passage of risk

6.1 By principle we ship ex works. Any shipment deviating from this way will be effected excepted risks. We take out transport insurance coverage only when the customer has requested this in writing assuming all cost related therewith. We reserve the right to select the route and mode of transport. Any transport damage shall be noted right away on the delivery document and confirmed by the specific carrier irrespective of the mode of transport (rail, post, parcel service) to allow for an assertion of claims for damages.

6.2 Even for a shipment that comes freight prepaid the risk passes over to the customer when the carrier leaves our plant site. For any delay of the shipment, which arises from any fault or negligence of the customer, the risk will pass over to the customer as early as with our ready for shipment notification.

6.3 Goods we notify to be ready for shipment and goods due for delivery the customer shall call off without undue delay. The customer failing to call off or accept goods without undue delay, allows us to ship the goods at our own discretion or store them at the customer's cost and risk.

6.4 The repurchase of goods the customer has ordered in writing and that we have duly delivered has been excluded in principle.

7. Customer's complaints

The customer or the addressee designated by him shall inspect the goods upon their arrival defining, if needed by a pilot processing, whether or not they are fit for the intended purpose. Apparent defects - even when guaranties for defined quality are unavailable – shall be queried in writing without undue delay, but no later than within 5 days from receiving the goods, and hidden defects without undue delay, but no later than within 5 days from being discovered. When the customer fails to notify the defects in the prescribed form and due time, the goods shall be considered accepted. For the notification to arrive in good time the point in time when we receive it will be decisive.

8. Liability for defects

8.1 The quality and workmanship of our products complies with the specimen, which we will present to the customer for inspection upon his request. The reference to technical standards gives a description of the performance only and must not be interpreted as to represent a guaranty for a specific quality.

8.2 When we consult the customer outside of our contractual performance we are liable for the operativeness and the aptitude of the delivery item only when we have warranted this expressively before we effect the delivery.

8.3 Justified complaints obligate us to a subsequent performance at our discretion either by a delivery of goods, which are free from defects, or by rectification of the defects with the queried parts passing over into our ownership. We reserve the right to refuse any subsequent performance under the provision of the legal statutes. In case of unjustified complaints we are entitled to invoice to the customer all cost resulting therefrom.

8.4 Any failure on our part to fulfil our obligation to a subsequent performance confers to the customer the option, at his discretion, to either withdraw from the contract or demand a reduction of the purchase price, after he has allowed us a reasonable period of time for a subsequent performance, unless the same is unnecessary under the provisions of the legal statutes. In the case of the customer withdrawing from the contract he will be liable for deterioration, perishing and/or non-enjoyment of the intended uses. This will not be limited to the diligence one usually employs in one's own affairs but extended to any obligation to assume responsibility.

8.5 The customer shall allow us the required time and give us the opportunity to establish the rootcause of the defect enabling us to realize the necessary subsequent performance. Upon our request he shall return to us any and all of the queried goods.

8.6 Claims for a compensation of damages and expenditures the customer may wish to recover on grounds of or in relation with the defects or for consequential damage

resulting from the defect exist, irrespective of the cause in law, only as directed by the provisions in item 13. Even in such a case we shall be liable for the typical and predictable damage only. Upon our request the customer shall return to us freight collect all parts for which we have delivered replacements.

- 8.7 Our liability for defects does not apply in a case where no defects exist, in particular when a defect is caused by an violation of instructions for handling, maintenance and assembly or misuse, non-conforming or negligent treatment, natural wear, intervention of the customer or any third party in or with the delivery item or the use of spare parts from external origin. Arbitrary rework and improper handling will lead to the loss of all rights to claim from us liability for defects. Only in the intention to prevent important damage with unreasonable cost or in case, where we fail to correct the defects in good time, is the customer entitled to rework the defective goods demanding a compensation of reasonable cost, always provided we, as the supplier, have given our prior consent thereto.
- 8.8 Any claim to assume liability for defects, which has been raised against us, becomes statute-barred at the latest 12 months after delivery of the goods or their acceptance by the customer. Inasmuch as the law specifies mandatory statute-barred periods, which are longer, the same shall apply.
- 8.9 In the case where a material defect has been concealed or the guaranty for a specified quality assumed the claims of the customer are subject to the provisions of the statutes only.
- 8.10 Claims for indemnification under §§478,479 of the Civil Code exist only to the extent where the implementation by the consumer was justified and within the scope as provided for by the law. They do not exist for liberal settlements of customer's complaints, which have not been agreed with the supplier, and presume the observation of one's own duty on part of those who are entitled to recourse, in particular the observation of the obligation to lodge complaints.

9. Terms of payment

- 9.1 All payments shall be made in EUR (Euro) to us only.
- 9.2 Unless we have agreed otherwise, the purchase price for deliveries or any other performance shall be payable with 2% cash discount within 15 days or without deduction within 30 days from the date of invoice. A condition for the allowing of a cash discount is the settlement of all undisputed invoices due at an earlier date. There will be no cash discount on invoices for tooling.
- As day of payment shall be considered the date on which we have received the payment or when the sum of money is credited to our account.
- 9.3 In case the agreed date of payment is overrun we will invoice interest in the amount of the statutory interest rate. We reserve the right to provide evidence for higher damage.

- 9.3 Bills of exchange offered to us we will accept on the base of a specific agreement only. For a possible payment by bill of exchange we will allow no cash discount. We reserve the right to refuse the acceptance of cheques. Cheques and rediscountable bills of exchange are accepted only on account of their performance. All related charges and expenses will be charged to the customer.
- 9.4 The customer failing to comply with the above terms of payment or when we learn about circumstances, which in accordance with our duty to decide after due commercial assessment give rise to justified doubts in the credit standing of the customer, inclusive of those facts that existed at the time of concluding the contract already but were unknown to us or we did not need to know, entitles us, notwithstanding the option of taking recourse to further statutory rights, to request a payment in advance for deliveries still outstanding or the provision of collateral in way or kind acceptable to us and withdraw from the contract or request compensation for damages after an unsuccessful expiration of a reasonable additional period of time for the provision of such collateral. Over and above we are authorised to prohibit the resale or processing of the goods in our ownership or co-ownership and request their return to us or the concession of joint possession at the cost of our customer.
- 9.5 Our customer has a right of retention or right to offset only with respect to such counterclaims, which are undisputed or have become res judicata.

10. Reservation of ownership

- 10.1 We reserve ownership to all goods we deliver to the date where all our receivables from the business relation with the customer have been settled inclusive of claims accruing from contracts concluded at a later date and possible rights of recourse and indemnity from bills of exchange and cheques. This shall also apply for a balance of account in our favour, when individual or all of our receivables are absorbed in a current account (open account) with the balance being drawn.
- 10.2 The customer shall take out insurance coverage for the goods under reservation of ownership in sufficient amount to protect them in particular against fire and/or theft. Claims against the insurance company resulting from any damage to the goods under reservation of ownership are herewith assigned to us as of this date in the amount of the value of such goods under reservation of ownership at the time of the insured event.
- 10.3 Treatment and conversion of the goods under reservation of ownership shall be done for us as manufacturer in the sense of § 950 Civil Code, however, without binding us. Whenever our goods are processed with other commodities, which do not belong to us, or confused in a inseparable way, then we acquire co-ownership of the new commodity in the ratio of the value invoiced for our goods compared to the value invoiced for the other commodities processed or confused. Whenever our goods are consolidated with other movable commodities to one integrated object, which must be considered the principal object, the customer transfers to us as of this date co-ownership thereto in the same

ratio. The customer shall preserve the ownership or co-ownership free of charge to us. The rights of co-ownership resulting therefrom shall be considered goods under reservation of ownership. Upon our request the customer shall give us the required information enabling us at any time to enforce our rights to ownership or co-ownership.

- 10.4 The customer is entitled to resell the goods delivered in the ordinary course of business. The customer is not entitled to any disposition, pledging or granting of ownership by way of security for goods under the reservation of ownership. Should the third-party purchaser, for any reason whatsoever, delay payment for the goods under reservation of ownership at the time of reselling the same, this shall obligate our customer on his part to resell his goods under the reservation of ownership only. Without further notice the entitlement to resell, treat and/or process the goods under reservation of ownership ceases to exist when the customer suspends his payments in general or defaults in payments towards us.
- 10.5 The customer herewith assigns to us, as of this date, all receivables inclusive of securities and ancillary rights accruing to him from or in the context with the resale of the goods under reservation of ownership from the final customer or any third-party purchaser. The customer shall enter into no agreement with any party purchasing from him who in any way or kind would exclude or impair our rights or ruin the pre-emptive assignment of the receivables. In the case of a resale of goods under reservation of ownership together or integrated with other commodities the receivables from the third-party purchaser shall be considered as having been assigned to us in the amount of the price, which has been agreed for the deliveries between us and the customer provided, however, that the amounts attributable to the individual goods can be established from the invoice. In the case where goods, which are under reservation of ownership in the form of a joint ownership, the receivables from the resale in the amount of our share in the co-ownership shall be considered as having been assigned to us.
- 10.6 The customer remains entitled to collect the receivables, which have been assigned to us, before the date of our revocation. We reserve the right to a revocation at any time. Upon our request the customer is obligated to give us all information and documents required to collect the receivables, which have been assigned to us, informing his third-party purchasers right away about the assignment of the receivables to us.
- 10.7 The customer who includes receivables from the resale of goods under reservation of ownership in an existing open account arrangement with his third-party purchasers, as of this date, assigns to us any account balance that results and is approved in his favour or final account balance in the amount of the total balance that corresponds to the receivables from the resale of our goods under reservation of ownership, which have been integrated in the open account arrangement.
- 10.8 Has the customer, as of this date, assigned to any third party receivables from the resale of goods we have delivered or are to deliver, in particular on grounds of nonrecourse factoring or recourse factoring, or made other arrangements, on the ground

of which our present or future security interests under item 10 might be impaired, he shall notify us to this effect without undue delay. In the case of recourse factoring we are entitled to withdraw from the contract requesting the return of the goods already delivered. The same applies in the case of nonrecourse factoring, when the customer, according to the contract with the factor, may not freely dispose of the purchase price for the receivables.

- 10.9. In any case where the customer fails to conform to the contract, in particular when he is in default with his payments, we are entitled to withdraw from the contract. Such a case obligates the customer to return forthwith the goods we have delivered. To establish the stocks of goods we have delivered we shall be allowed access to the customer's business premises at any time during his regular business hours. The customer shall inform us without undue delay and in writing about any seizure of the goods under reservation of ownership or receivables assigned to us by third parties. The cost of intervention, in any case, shall be charged to the customer, unless a third party has assumed such cost.
- 10.10 Should the value of the collateral securities existing in our favour according to the above provisions exceed the secured receivables in total by more than 20 % we are obligated to unblock, at our choice and upon request of the customer, collateral securities of similar amount.

11. Moulds (Tooling)

- 11.1 The price for moulds includes the cost for a one-time presentation of samples. However, it includes neither the expenditure for inspection, measuring & test equipment nor machining devices or customer initiated modifications. The cost for further presentations of samples within our scope of responsibility will be at our charge.
- 11.2 Unless agreed to the contrary, we presently are and will remain owner of those moulds we have built for the customer ourselves or ordered a third party to build. Moulds are used for orders received from the customer only, provided, however, the customer has complied and will comply with his commitment to pay for and accept our deliveries. We shall be obligated to a replacement of these moulds free of charge only when the same will be required for the fulfilment of an output volume that we have warranted to the customer. Our obligation to preserve moulds we own will come to an end two years after the last delivery of out-of-mould parts and prior notice to the customer.
- 11.3 Should, as may be agreed, the customer become owner of the mould, the title will pass over no sooner than after we have received full payment of the purchase price for the same. The physical handing over of the mould to the customer will be replaced by the storage thereof to the benefit of and use for the customer. Irrespective of the customer's statutory right to recover possession and the service life of the mould we shall be entitled to sole possession of such mould(s) until the contract is discontinued. We shall identify

the moulds as third party property taking out insurance coverage for the same upon request of the customer.

11.4 For customer-owned moulds under section 3 and/or moulds the customer makes available on a loan basis our liability with respect to storage and maintenance shall be limited to the due care and diligence we use in our own matters of business. The customer shall assume all cost for maintenance and insurance. Our obligations come to an end, when the customer fails to pick up the mould within a reasonable period of time upon completion of the order and our appropriate request.

In any case and for the time the customer has not performed his contractual obligations to the full extent we reserve the right of retention to the mould.

12. Purchase orders for materials

12.1 Any material the customer may supply must be delivered at his cost and risk with a reasonable positive minimum volume allowance of 5% in good time and perfect quality.

12.2 Any non-performance of these conditions will prolong the period of delivery by a reasonable time. With the exception of cases of force majeure the customer shall be responsible for the additional expense encountered and any loss of production.

13. Exclusion and limitation of liability

13.1 For all claims raised against us for compensation of damages and expenditures on the grounds of violation of duties we are accountable for, irrespective of the specific cause in law, we shall be liable in the case of slight negligence only when this is a violation of essential duties, which jeopardise the purpose of the contract. Otherwise our liability for slight negligence has been excluded herewith.

13.2 In a case where we are liable under item 13.1 and for a liability without fault we shall be liable for the typical and predictable damage only. The assertion of useless expenditures by the customer is inadmissible.

13.3 For any damage resulting from a delayed performance we assume liability in the case of slight negligence in a maximum amount of 5 % of the net order value only.

13.4 The customer decides under his own responsibility about the use/application of our performance. Unless we have confirmed in writing the specific quality of the performance for the purpose, as defined in the contract, no consultation with regard to application technology shall bind us. It is just supposed to explain the customer the optimal use of our performance. It does not discharge him from his responsibility to verify the aptitude of our performance for the purpose intended by him by way of an own inspection. In accordance with the proviso of items 13.1 – 13.3 we shall also be liable for a completed or suspended consultation.

- 13.5 The exclusion of liability under items 13.1 – 13.3 shall apply in similar scope in favour of our properly constituted agents, statutory representatives, management and non-management employees and other persons employed in performing an obligation.
- 13.6 The provisions of the items 13.1 – 13.4 do not apply when our claimant has recourse to the Product Liability Act, we are liable for fatal injury, serious injury or health risks, when we assume a warranted quality or in case of malicious silence with regard to a defect.
- 13.7 Any and all claims for compensation of damages and expenditures raised against us are subject to a 12 months limitation period commencing with the delivery of the goods or their acceptance by the customer, in the case of the tortious liability from the time of the circumstances being known or for grossly negligent lack of knowledge of the circumstances substantiating the claim or the person who is liable for the damages. This does not apply for intent and in the cases mentioned in item 13.6.
- 13.8 Is the final customer of the goods a consumer, the statutory provisions for the limitation of a possible right of recourse on part of the customer against us shall apply.

14. Copyright protection, industrial property rights, software right of use

- 14.1 We hold the copyright and, if required, industrial property rights, in particular, all rights of use and exploitation to the models, moulds and devices, drafts and drawings we have designed or requested third parties to design to fill our order. The customer may use documents, drawings plus any constructive output we have produced for the intended purpose only. Without our consent no third party shall have access thereto nor may the same be object of publication. Copies may be made for archiving only or as substitute. Where originals bear a copyright note the customer shall affix the same on the copies as well.
- 14.2 Our liability for the non-existence of third-party industrial property rights has been excluded when any output has been developed in compliance with customer-specified information, or when any violation of an industrial property right has resulted from the use the delivered goods in combination with goods we have not delivered. Furthermore our liability for any violation of an industrial property right has been excluded for uses, about which the customer has failed to inform us before. Otherwise the liability is directed by item 11.

Have we been ordered to supply in compliance with drawings, models, and samples or by using customer-supplied parts then it will be the customer's responsibility to ensure that no third-party industrial property right will be violated in the country of destination of the goods. We will draw the customer's attention to all industrial property rights we are aware of. The customer shall exempt us from all third-party claims compensating us for the damage resulting from any non-observance of existing rights. Should any third party interdict the production or supply with reference to an industrial property right in his possession, then we are entitled to stop all work with no obligation to verify the legal position waiting that the customer and the third party come to terms about the legal

position. Should it, due to the delay, become unreasonable for us to continue processing the order we are entitled to withdraw from the order.

14.3 Customer-supplied drawings and samples, which have not led to an order, will be returned upon request; otherwise we are entitled to destroy the same three months after submission of our quotation. This obligation applies for the customer vice versa. The party entitled to destroy shall notify the respective other party to the contract ahead of time about its intention to destroy such items.

14.4 Should other deficiencies in title exist no. 8 shall apply respectively.

15. Place of performance, place of jurisdiction, applicable law

15.1 Place of performance is the location of the operation that delivers.

15.1 Exclusive place of jurisdiction for all disputes arising from these presents is the competent court at the head office of our business. However, we are also entitled to bring an action against the customer with the competent court at his place of business.

15.2 The laws of the Federal Republic of Germany shall govern all legal relations between the customer and us. The application of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (Federal Gazette 1989 p. 586) has been excluded for the Federal Republic of Germany (Federal Gazette 1990 p. 1477).

16. Partial inoperativeness

In the case that individual provisions of this contract turn out to be inoperative this shall have no effect on the validity of the other provisions, which continue to be fully effective. Any provision that turns out to be inoperative shall simply be replaced by such a provision, which, within the frame of the legally founded, will be as near as possible to that what was intended in the economic sense and purpose by the provision, which turned out to be inoperative.