

1. General - Scope

- 1.1. Our conditions of sale are exclusively applicable; we do not recognise any conflicting or differing conditions of sale of the customer, unless we have expressly agreed to such applicability. Our conditions of sale do also apply if we execute a delivery to the customer without reservation, notwithstanding the fact that we have known of conflicting or differing conditions of sale of the customer.
- 1.2. All agreements entered into between the customer and us for the purpose of the fulfilment of this contract are set forth in this contract.
- 1.3. Our conditions of sale do only apply vis-à-vis companies for the purpose of § 310 Para 1 BGB (Civil Code).
- 1.4. Our conditions of sale do also apply to all future transactions with the customer.

2. Tender – Tender documents

- 2.1. Our tender is subject to change unless the order confirmation says otherwise.
- 2.2. We reserve the right to the ownership of and the copyright to figures, drawings, calculations and other documents. This does also apply to such written documents designated "confidential". Any transfer to third parties requires our express prior written consent.

3. Prices – Terms of payment

- 3.1. Unless the order confirmation says otherwise, our prices are ex works, in Euro, and excluding packaging, which shall be invoiced separately. We reserve the right to change our prices if after the conclusion of the contract, due to wage agreements or material price changes in particular, cost reductions or increases should arise. On request, we will prove such to the customer.
- 3.2. Our prices are excluding VAT, which shall be separately given on the invoice as applicable on the day of invoicing.
- 3.3. Deliveries, partial deliveries and/or other performances are payable net within 30 days from date of invoice.
- 3.4. The customer is only entitled to set-offs if his counterclaims are legally effective, uncontested or recognised by us. In addition, he is only entitled to exercising retention rights if his counterclaim arises from the same contractual relationship.

4. Delivery time, Delivery volumes

- 4.1. The start of the delivery period we give requires that all technical matters have been settled.
- 4.2. The fulfilment of our delivery obligation does also require that the customer has properly fulfilled all his obligations in time. We reserve the right to assert non-fulfilment of the contract.
- 4.3. If the customer is in default of acceptance or is otherwise in breach of his obligation to contribute, we are entitled to claim damages for any loss that might thus have been incurred, including additional expenditure. We reserve the right to assert further claims.
- 4.4. If Item 3.3 applies, the risk of accidental loss or accidental deterioration of the object of sale is transferred to the customer at such time as he is in default of acceptance or payment.
- 4.5. We are liable in accordance with legal regulations if the underlying contract of sale is a firm deal for the purpose of § 286 Para 2. No. 4 BGB (Civil Code) or § 376 HGB (Commercial Code). We are also liable in accordance with legal regulations if due to a default in delivery that we are responsible for the customer is entitled to assert that his interest in any fulfilment of the contract has been discontinued.
- 4.6. We are also liable in accordance with legal regulations if the default in delivery has been caused by a breach of contract that we are willfully or grossly negligently responsible for. Our representatives or vicarious agents' responsibility shall be apportioned to us. If the default in delivery does not arise from a breach of contract that we are willfully responsible for, our liability is limited to a typical damage of the sort in question.
- 4.7. We are also liable in accordance with legal regulations if the default in delivery we are responsible for arises from our culpable breach of an integral provision of the contract, in which case our liability shall, however, be limited to a typical damage of the sort in question.
- 4.8. Otherwise, we are liable for default of delivery for any full week of such default to the amount of a flat rate of 0.5 percent of the delivery with a maximum total of 5 percent. Any further default in delivery liability is hereby excluded.
- 4.9. This is without prejudice to the customer's assertion of other legal titles and rights.
- 4.10. Promised volumes are maximum volumes. Monthly calls are limited to a maximum of 1/12 of the promised annual volume. Extra costs incurred by under or over-calls of +/- 5 percent have to be borne by the customer.

5. Material provision by the customer

- 5.1. If the customer has agreed that he has to provide materials, the customer has to supply us with these materials at his own expense and risk and with an appropriate volume extra of at least 5 percent and in perfect condition.
- 5.2. If the customer does not properly fulfil his obligation pursuant to Item 5.1 in time, any possible delivery period shall not commence. In addition, the customer has to bear the extra costs incurred by his default, e.g. production downtime.

6. Transfer of risk – Packaging costs

- 6.1. Unless otherwise stated in the order confirmation, delivery is ex works.
- 6.2. To taking back packaging, separate agreements shall apply.

7. Liability for defects

- 7.1. The customer's warranty claims require that he has fulfilled his inspection and complaint obligations pursuant to § 377 HGB (Commercial Code) in a proper fashion.
- 7.2. If the object of sale shows a defect, we are hereby contractually bound within the framework of supplementary performance at our own discretion either to remedy the defect or to deliver a new object of sale free of defects. If we remedy the defect, we are hereby contractually bound to bear all expenditures necessary, transport, labour and material costs and tolls in particular, unless these are made higher by the object of sale having been transported to another place that is not the place of fulfilment.
- 7.3. If the supplementary performance should fail, the customer can choose either withdrawal or reduction at his discretion.
- 7.4. We are liable in accordance with legal regulations, if the customer claims for damages arising from intention or gross negligence by our representatives of vicarious agents. If the customer does not assert any wilful breach of contract on our part, our liability is limited to a typical damage of the sort in question.
- 7.5. We are liable in accordance with legal regulations if we are responsible for a culpable breach of an integral provision of the contract, in which case our liability shall, however, be limited to a typical damage of the sort in question.
- 7.6. This is without prejudice to our liability for a culpable injury to life, limb or health. This does also apply to the compulsory liability arising from the Produkthaftungsgesetz (Product Liability Act).
- 7.7. Unless otherwise agreed in the above, any liability is excluded.
- 7.8. The statute of limitations for complaints expires after 12 month from transfer of risk.
- 7.9. This is without prejudice to the statute of limitations for delivery recourse pursuant to §§ 478, 479 BGB (Civil Code). This is five years from delivery of the defective object.

8. Joint and several liability

- 8.1. Any further liability for damages other than set forth in Item 7 – without consideration of the legal nature of the asserted claim – is hereby excluded. This does apply to claims for damages from culpability at the conclusion of the contract, other breaches of duty or for tort actions for property damages pursuant to § 823 BGB (Civil Code) in particular.
- 8.2. The limitation in accordance with sub-section (1) does also apply if in lieu of a claim for damages the customer demands the reimbursement of useless expenditures.
- 8.3. In so far as our liability for damages is excluded or limited, this shall also apply to the personal liability for damages of our salaried employees, wage earners, staff, representatives and vicarious agents.

9. Reservation of ownership

- 9.1. We reserve the ownership of the object of sale until all payments arising from the supply contract have come in. The same shall apply to objects of sale to be paid by means of a partial amortisation, in which case we reserve the ownership until the contracted condition takes effect (e.g. buying the minimum order volumes within the life of the contract). If the customer is in breach of contract, especially if he is in default of payment, we are entitled to take back the object of sale, which shall constitute withdrawal from the contract. After having taken back the object of sale, we are entitled to utilise it as we see fit. Such proceeds have to be set off against the customer's payables – minus appropriate utilisation costs.
- 9.2. The customer is hereby contractually bound to treat the object of sale with due and diligent care. In particular he is contractually bound to insure it sufficiently against fire, water damages and theft at its replacement value at his own expense. If maintenance and inspection work has to be done, the customer has to do such in time and at his own expense.
- 9.3. In the event of distraint orders or other interventions by third parties, the customer has to notify us in writing forthwith, so that we are able to bring suit in accordance with § 771 ZPO (code of civil procedure). If third parties are unable to reimburse us the court and extrajudicial costs pursuant to § 771 ZPO (code of civil procedure), the customer is liable for the loss we have incurred.
- 9.4. The customer is entitled to sell the object of sale in the proper course of business. However, he hereby assigns all his receivables to our finally invoiced amount (including VAT), regardless of the object of sale having been sold prior to or after processing. The customer may still collect such receivables. This is without prejudice to our right to collect such receivables ourselves. However, we are hereby contractually bound not to collect such receivables if the customer is not in default of payment of the received proceeds, is not in default of payment in general and no petition in insolvency or composition has been filed or payments have not been suspended. If this is the case, however, we are entitled to demand that the customer notifies us of the assigned receivables and their debtors, gives us all data necessary for a collection of such receivables, hands over the attendant documents and notifies the debtors (third parties) of such assignment.
- 9.5. The processing or transformation of the object of sale shall always be done for us. If the object of sale is processed with other objects that do not belong to us, we are co-owners of the new object at the ratio of the object of sale's value at the time of processing (final invoiced amount, including VAT) to the other processed objects. The same provisions that apply to the object of sale delivered under reservation shall also apply to the new object.
- 9.6. If the object of sale is inseparably mixed with other objects that do not belong to us, we are co-owners of the new object at the ratio of the object of sale's value at the time of mixing (final invoiced amount, including VAT) to the other mixed objects. If the mixing is done in a way that makes the customer's object the main part of the new object, it is hereby agreed that the customer makes us co-owner on a pro-rata basis. The customer is in possession of the thus evolved sole or co-ownership on our behalf.
- 9.7. The customer shall also assign to us his receivables from third parties that might arise when the object of sale is combined with a piece of real estate to cover his payables to us.
- 9.8. We are hereby contractually bound to release the securities we are entitled to in so far as that the realisable value of our securities exceeds the value of the secured receivables by more than 10 percent. The selection of the securities to be released is at our discretion.

10. Equipment and copyright

- 10.1. Any piece of equipment, tool or other item necessary for the execution of the order and developed and produced by us shall remain our property even if pro-rata costs have been invoiced.
- 10.2. The customer is solely responsible for seeing to it that no rights, especially copyrights, patents and utility models, of third parties are being infringed by the execution of the order. The customer has to exempt us from all third parties' claims arising from such infringements.

11. Industrial property rights

- 11.1. We are not liable if we have manufactured the objects of sale in accordance with the customer's drawings, models or other such specifications or data and do not know or, in the context of the products he has developed, do not have to know that they infringe industrial property rights.
- 11.2. If we are not liable pursuant to Item 11.1, the customer hereby exempts us from all third parties' claims.
- 11.3. The customer is hereby contractually bound to get information on potential infringement risks and alleged cases of infringement forthwith and amicably to counteract such claims.
- 11.4. We are not liable for any loss and damages arising from downtimes.
- 11.5. Industrial property rights arising from our services rendered are ours alone.
- 11.6. Our blueprints and design proposals may only be given to third parties with our consent.
- 11.7. If the customer suggests improvements or amendments to our contracted performance, we acquire all rights to the implementation or utilisation of such suggestions in the contracted performance, especially all exclusive usufructuary and utilisation rights.

12. Storage, Insurance

- 12.1. Documents, drawings, raw materials and other re-usable objects plus semi-finished and finished products shall only be stored beyond the delivery date against an extra charge and if such an agreement is in place. The customer is only liable in case of intent and gross negligence.
- 12.2. The afore-mentioned items, if provided by the customer, shall be treated with due and diligent care until they are delivered. We are only liable for any damage in case of intent or gross negligence.
- 12.3. If the afore-mentioned items are to be insured, the customer has to take out such policies himself.

13. Non-disclosure

- 13.1. Blueprints, design proposals, models, matrices, templates, samples, tools and other means of production plus confidential data we have given the customer or he has come to know may only be made available to third parties with our prior written consent.
- 13.2. For the life of the contract and for a period of three years after the termination of the contract, either party will not disclose to third parties anything that has been designated "confidential" by the other party in the course of the preparation and fulfilment of the contract.
- 13.3. The parties make sure that their staff and representatives will also comply with such non-disclosure provision.
- 13.4. The parties are entitled to disclose confidential information if so and as required by legal regulations, a binding court order or a definitive administrative decision.
- 13.5. Confidential information does not comprise information that, without any responsibility on the part of disclosing party, is or gets in (to) the public domain, the disclosing party has already known before the other party has disclosed it, the disclosing party has received by a third party in a proper fashion and without an attendant non-disclosure caveat, or have been collected by the disclosing party without using confidential information or referring to such.

14. Place of jurisdiction – Place of fulfilment

- 14.1. If the customer is a "Kaufmann" ("businessman" for the purpose of applicable German laws), the place of jurisdiction is our address of record. We are, however, entitled to bring suit against the customer at his place of jurisdiction.
- 14.2. These conditions of sale are subject to the laws of the Federal Republic of Germany. Any applicability of the CSIG is hereby excluded.
- 14.3. Unless the order confirmation says otherwise, the place of fulfilment is our address of record.
- 14.4. The applicable version of these conditions of sale is the German original.

June 2008

Please note: This is a translation. The applicable version of these conditions of sale is the German original.