

I. General provisions

- 1) The written statements on both sides of this sheet shall determine the scope of the supplies and services (hereinafter: supplies). However, the General Terms and Conditions of Business of the Customer shall apply only insofar as they coincide with these Terms and Conditions of Sale and Supply or we have expressly approved them in writing.
- 2) With regard to cost estimates, drawings and other documents (hereinafter: documents), we shall unrestrictedly reserve our rights of exploitation according to proprietary rights and copyright law. Such documents may be rendered accessible to third parties only with our prior consent and, should we not be awarded the order, they must be returned to us without delay should we so request. Clauses 1 and 2 shall apply mutatis mutandis to the customer's samples, though such samples may be rendered accessible to those third parties to whom we have permissibly assigned deliveries.
- 3) Partial deliveries shall be permissible, insofar as they are reasonable to the customer.

II. Prices and payment conditions

- 1) The prices shall be understood to be ex-works excluding packaging and plus the statutory sales tax applicable at the time.
- 2) Given the complete acceptance of goods involving a net amount of EUR 500, delivery shall be effected to the point of receipt on the basis of carriage-paid goods, excluding packaging; orders involving net amounts of less than EUR 250 shall be subject to an administrative surcharge of EUR 15. Given the complete acceptance of goods involving a net amount of EUR 1000, delivery shall be effected to the point of receipt on the basis of carriage-paid goods, including packaging. Sales shall only be on account. There are special terms and conditions for exports and these shall be confirmed in individual cases.
- 3) Packaging shall be invoiced at the lowest possible prices and shall not be taken back
- 4) Insofar as nothing is agreed to the contrary, payment shall be made to us strictly net within thirty days of the invoice date or within eight days with a 2% discount, irrespective of the receipt of the goods in question. Should the payment deadline be exceeded, default interest shall be calculated, without a reminder being required, at a rate of 9% above the basic interest rate. Payments shall be made free to our paying agent.
- 5) The customer may only offset those receivables which are undisputed or have been established on a legally binding basis.

III. Reservation of title

Our goods shall be supplied subject to reservation of title with the following extensions:

- 1) All supplied goods shall remain our property until such time as our claims against the customer, including any such claims which may arise from the business connection in the future, are paid in full and until such period that the account, including all bill and cheque commitments, is settled. This shall also apply in the event that the purchase price for certain deliveries of goods specified by the customer is to be paid. In the case of a current account, the reserved title shall constitute security for our balance claim.
- 2) The customer shall have a revocable right and, as long as it fulfils its obligations to us, it shall be entitled, taking the following provisions into account, to sell on or process goods encumbered with reservation of title during the normal course of business. However, the customer shall be forbidden from pledging or assigning as security goods supplied or processed which are subject to reservation of title. Likewise, the customer shall, insofar as this is compatible with commercial practices, undertake only to resell reserved goods which we have supplied in conjunction with reservation of title. In the event of a justified request and in case of default, the customer shall be obliged to apprise us of the name of the third party customer.
- 3) Insofar as goods encumbered with reservation of title are machined or processed, the machining or processing shall be undertaken for us, although without any guarantee on our part. In the event of processing by the customer in conjunction with goods which are not our property, we shall be entitled to co-ownership of the new item in proportion to the value of the reserved goods compared with the other processed goods at the time of processing.
- 4) In the event that goods supplied by us are mixed or combined with other goods, we shall acquire co-ownership to an amount in proportion to the value of the reserved goods at the point of combination.
- 5) Should the customer sell reserved goods which we have supplied or should such goods be supplied to a third party - irrespective of the value or condition - or should such goods be installed within the framework of a manufacture, supply or construction contract, the customer shall, until such time as the claims stipulated in clause 1) are settled in full, hereby assign to us, up to the amount of the invoice value of our deliveries, the claim, together with all ancillary rights, including the compensation claims accruing to them from the

legal transaction involving the resale or installation, accruing to them vis-à-vis their customer or buyer from such sale, delivery or installation. In the event of an assignment prohibition in such a manufacture, supply or construction contract and in the event of payment default, the customer shall be obliged to apprise its third party customers of the assignment of future claim.

- 6) In the event that reserved goods which we have supplied should be sold to third parties in conjunction with other goods, we shall be assigned that proportion of the total asking price corresponding to the invoice value of our deliveries.
- 7) The reservation of title with the extensions pursuant to the above provisions shall also remain in force in the event of individual claims of the customer against its customers being included in the current account. In this case, the customer shall, at this early juncture, assign to us the balance pertaining to its credit. The customer shall, upon request, and particularly in the event of payment default on the part of the purchaser, be obliged to facilitate the direct assertion of the claims involved and apprise the third party debtor of the assignment.
- 8) We must be apprised without delay of any attachments and every type of restriction pertaining to our property. In the event that the value of the overall collateral stemming from the business relationship should exceed our delivery claims by more than 20%, we shall, at the request of the customer, be obliged to reassign the assigned claims to this extent.
- 9) In the event of any incidence of damage or other impairment to the equipment supplied on the basis of our terms and conditions, the customer shall, at this early juncture, assign to us in advance the compensation claim accruing to it from its insurance from existing insurance contracts in the amount of the damage relating to our reserved property.

IV. Deadline for deliveries; default

- 1) The deadline for deliveries or services shall commence on the day on which written agreement is presented pertaining to the order in question between the customer and ourselves. The observance of such a deadline presupposes the prompt receipt of all the documents, requisite licences and releases to be furnished by the customer, the prompt clarification and approval of the plans and the observance of the agreed Terms and Conditions of Payment and other obligations. Should these requirements not be fulfilled on time, the delivery deadline shall be extended by an adequate period of time; this shall not apply if we are responsible for the delay.

- 2) Should the non-observance of deadlines be attributable to force majeure, such as mobilisation, war, civil commotion or similar occurrences, e.g. strike or lockout, delivery deadlines shall be extended by adequate periods of time.
- 3) In the event of default, the customer may, insofar as it can plausibly establish that it has incurred damages of at least this amount due to delay in question, request default compensation for every completed week of such delay of 0.5% up to a total amount of 5% of the value of that component of the deliveries or services which it has not been possible to put into appropriate operation due to the late completion of individual associated items.
- 4) Both compensation claims on the part of the customer for delivery default and compensation claims in lieu of performance which exceed the limits stipulated in clause 3 shall be excluded in all instances of delayed delivery, including after the expiry of any delivery deadline which we may have set. This shall not apply in cases of wilful intent, gross negligence or injury to life, body or health, where compulsory liability applies. The customer may withdraw from the contract within the framework of the prevailing statutory provisions only insofar as we are responsible for a delay in delivery. The above stipulations shall not entail a change in the burden of proof to the detriment of the customer.
- 5) The customer shall, at our request, undertake to declare within a reasonable period of time whether it is withdrawing from the contract due to a delay in delivery or is insisting upon delivery.
- 6) In the event that dispatch or delivery should, at the behest of the customer, be delayed by more than one month following notification of readiness for dispatch, the customer may, for every month commenced, be invoiced storage costs to the amount of 0.5% of the price of the delivery items, though no more than a total of 5%. The contracting parties shall be at liberty to prove that lower or higher storage costs have accrued. Should the customer delay acceptance, the statutory consequences of the acceptance delay shall otherwise remain unchanged.

V. Transfer of risk

Upon transfer to a transport company, the risk shall pass to the customer at the latest however when the delivery leaves our plant or warehouse, even when carriage-paid delivery has been agreed. Deliveries shall only be made on its account insofar as noting is agreed to the contrary in section II.2 of our Terms and Conditions. In the absence of a written arrangement to the contrary, dispatch shall always be effected according to our best judgement. We cannot assume any responsibility for transporting by the cheapest method available. We shall only arrange transport insurance policies when their cost is borne by the purchaser and when there is express, written agreement.

VI. Acceptance

The customer may not refuse to accept deliveries on the grounds of minor defects.

VII. Material defects

- 1) The prerequisite for the assertion of material defects liability shall be the submission to us or our authorised representative of proof of acquisition (delivery note, invoice etc.). The warranty entitlement may not be transferred to third parties without our consent.
- 2) We do not give warranties for the nature of services. Declarations made by us regarding the nature or certain characteristics of the services serve only to establish the agreed nature of the services as per article 434 of the German Civil Code. All those components or services which exhibit a material defect within the limitation period – irrespective of operating life – shall, as we see fit, be repaired, resupplied or refurbished insofar as the cause of the same occurred at the time of transfer of risk.
- 3) Material defects claims shall lapse after twelve months. This shall not apply when legislation as per articles 438 para. 1.2 (Structures and items for structures), 479 para. 1 (Claim under a right of recourse) and 643a para. 1.2 (Construction defects) of the German Civil Code makes provision for longer periods of time, in instances of injury to life, body or health, in the event of a wilful or grossly negligent breach of duty on our part and in the event of the malicious non-disclosure of a defect. The statutory provisions pertaining to the suspension of expiration, suspension and recommencement of periods shall remain unaffected.
- 4) The customer shall submit complaints pertaining to material defects to us in writing without delay.

- 5) In the event of notification of defects, payments on the part of the customer may be withheld on a scale which is in a reasonable ratio to the material defects which have occurred. The customer may only withhold payments if a complaint is asserted, the justification of which is beyond doubt. Should a complaint have been submitted without justification, we shall be entitled to request that the customer reimburse the costs which we have incurred.
- 6) In the first instance, we shall be granted the opportunity to effect subsequent fulfilment within a reasonable period of time. Subsequent fulfillment shall take place, as we see fit, through rectifying the defect or providing a defect-free service.
- 7) Should such subsequent fulfilment be unsuccessful, the customer – any compensation claims pursuant to Section IX notwithstanding – may withdraw from the contract or reduce the amount of payment. The customer's withdrawal due to services not rendered according to the contract shall be invalid, if the customer's claim for subsequent fulfilment according to section VII.3 of our terms and conditions lapses and we refer to this.
- 8) Claims arising from defects shall not prevail in respect of a minor deviation from an agreed quality level, a minor impairment to usability, natural wear and tear or incidences of prejudice which arise subsequent to the risk transfer due to faulty or negligent handling, excessive strain, unsuitable operating facilities, faulty construction operations, unsuitable subsoil and, in particular, any external influences which are not presupposed by the contract, as well as non-reproducible software defects. In the event that modifications or maintenance operations should be improperly performed by the customer or any third parties, it shall likewise be the case that no claims arising from defects shall prevail for such modifications and maintenance operations or any resulting consequences.
- 9) Any claims on the part of the customer for expenditure which it is necessary to incur for subsequent fulfilment purposes, particularly transport, travelling, labour and material costs, shall be excluded insofar as such expenditure increases due to the fact that a delivery item has been subsequently transported to a location other than the customer's business premises unless such transportation is in line with the normal use of such an item.

- 10) Claims under rights of recourse against ourselves on the part of the customer pursuant to Article 478 of the German Civil Code (Contractor's recourse) shall only persist insofar as the customer has not agreed any arrangements with its own customer exceeding the scope of the statutory claims arising from defects. Section 9 shall also apply mutatis mutandis to the scope of the customer's claim under a right of recourse against ourselves pursuant to Article 478 Para. 2 of the German Civil Code.
- 11) It should be noted that section IX (Other compensation claims) shall apply to compensation claims. Any further claims for a material defect against us and our agents on the part of the customer other than those stipulated in section VII shall be excluded.

VIII. Impossibility, contractual revision

- 1) Insofar as a delivery is impossible, the customer shall be entitled to claim compensation unless we are not responsible for such impossibility. However, the customer's entitlement to compensation shall be restricted to 10% of the value of that component of the delivery which cannot be put into appropriate operation as a result. This entitlement shall not apply in cases of wilful intent, gross negligence or injury to life, body or health where compulsory liability prevails; this shall not entail a change in the burden of proof to the detriment of the customer. The right of the customer to withdraw from the contract shall remain unaffected.
- 2) Insofar as any unforeseeable occurrences within the purport of section IV, subsection 2 considerably alter the economic importance of the item of delivery or exercise a major influence on our operations, the contract shall be suitably revised in compliance with the principle of good faith. Insofar as this is not economically justifiable, we shall be entitled to withdraw from the contract. In the event that we should wish to exercise this right of withdrawal, we shall apprise the customer accordingly without delay upon becoming aware of the implications of this occurrence, also in the event that an extension of the delivery period should initially have been agreed with the customer.

IX. Other compensation claims

- 1) Claims for compensation and claims for the compensation of expenses (hereinafter: compensation claims) on the part of the customer, irrespective of the legal grounds, particularly for a breach of the duties arising from the

contractual obligation and for tortious acts, shall be excluded.

- 2) This shall not apply insofar as compulsory liability prevails, e.g. pursuant to the German Product Liability Act, in cases of wilful intent, gross negligence, injury to life, body or health and a breach of major contractual obligations. However, a claim for compensation with regard to a breach of major contractual obligations shall be restricted to contractually typical, foreseeable prejudice insofar as wilful intent or gross negligence does not exist or liability exists due to injury to life, body or health. The above stipulations shall not entail a change in the burden of proof to the detriment of the customer.
- 3) Insofar as the customer is entitled to compensation claims pursuant to Section IX, such claims shall lapse upon the expiry of the limitation period pursuant to Section VII, Para. 3 applying to claims for material defects. In the case of compensation claims pursuant to the Product Liability Act, the prevailing statutory limitation provisions shall apply.

X. Illustrations, dimensions and weights

shall always be regarded as approximate.

XI. Place of contract fulfilment, place of jurisdiction and applicable law

- 1) Insofar as nothing is agreed to the contrary, the place of contract fulfilment shall be Gummersbach.
- 2) In the event of the customer being a businessman, the sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be Gummersbach. However, we shall also be entitled to make a claim against the customer at one of its statutory places of jurisdiction.
- 3) German substantive law shall, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG), apply to the legal relations in connection with this contract.

XII. Should individual provisions of these Terms and Conditions of Sale and Supply be or become invalid, the validity of the remaining provisions as well as the Terms and Conditions of Sale and Supply shall remain unaffected. Clause 1 shall apply accordingly to all other contractual agreements between the parties, insofar as adherence to the contract does not constitute unreasonable hardship for one party.