

General Terms of Sale and Delivery

I. Scope

- (1) Deliveries we make are exclusively subject to the General Terms of Sale and Delivery as stated hereinafter, which apply to all our deliveries, unless otherwise agreed upon in writing.
- (2) The use of the Customer's own terms of business require our express approval in writing.
- (3) Our General Terms of Sale and Delivery also apply to future business transactions between us and the Customer, even if no reference is made to our terms in each individual case.

II. Conclusion of the Contract

- (1) Our quotes are always non-binding. We expressly reserve the right to sell to third parties types and quantities of goods that we have identified as being in stock.
- (2) If our quote includes documents such as illustrations, drawings, weights and dimensions, these will only be enforceable as approximations, unless we have stated in writing that these are binding. Quantities ordered are approximate. Deviations of 5% plus or minus are permissible. As regards cost estimates, drawings and other documentation, we reserve the right of ownership and authorship; these documents may not be made accessible to third parties.
- (3) We will be deemed to have accepted orders only after they have been confirmed by us in writing or by fax. Furthermore, the arrival of the delivery note at the Customer's location or the making of a delivery constitute proof of confirmation.
- (4) Oral side agreements, amendments and additions to the contract require our written confirmation in order to be legally enforceable.

III. Prices

- (1) Prices in effect on the delivery date are used for invoicing.
- (2) Prices are understood net ex works; they include the legal Value Added Tax only if specifically stated.
- (3) Extra costs such as those for packaging, shipping and insurance costs are not included in the prices.

IV. Conditions of Payment

- (1) Payment is due in cash in Euro no later than 30 days from the date of invoice and without any deductions. If payment is made within 14 days of the date of invoice, a discount of 2% will be granted.
- (2) Upon expiration of 30 days after the date of invoice, default of payment will occur without prior notification. In this case we shall have the right to charge interest in the amount of 3% above the respective interest rate that replaces the discount rate of Deutsche Bundesbank in accordance with the transitory law governing the discount rate, in any case, at least 8% of the amount of invoice, and reserve the right to claim additional loss due to default. Furthermore, if we grant an extension for payment, we have the right to charge interest on the amount of invoice at the rate stated above.
- (3) We reserve the right to accept bills of exchange and checks. In each case acceptance is only for payment. Bills of exchange must be issued promptly upon receipt of the invoice. Costs incurred for discounting and collection will be born by the Customer. We shall not be responsible for prompt presentation and protests. A cash discount will not be granted if payment is made by bill of exchange.
- (4) Payments are considered as having been made only when the amount is finally at our disposal.
- (5) If a Customer's payment is in arrears for more than 10 days or if he has stopped payments or if a significant deterioration of his assets has occurred, our claims arising from all existing contracts with such

Customer will become due for payment immediately; deferments or other postponements of payment -- even those due to bill of exchange acceptances -- will cease; we shall have the right to demand advance payment or collateral for undelivered merchandise; merchandise that we have already delivered and is still our property must be relinquished promptly upon request.

V. Delivery Period

- (1) Delivery dates and delivery periods are always approximate and non-binding for us. The period of delivery is considered as having been maintained if the article to be delivered has left our factory at the period's expiration or if we have reported that the article is ready for shipping.
- (2) We shall not be obligated to deliver a product as long as the Customer has not met his obligations.
- (3) An Act of God, operational disruptions, missed deadlines by sub-suppliers, a shortage of raw materials, energy or labor, as well as strikes, lock-outs, difficulties in procuring means of transportation, traffic disruptions, government decrees or the absence of government permits or other approvals required to effect delivery, to the extent that they are applicable, release us from the obligation to provide the service for the duration of such disruption. We will not be responsible for circumstances as described above, even if they occur during an already existing delay.
- (4) If unforeseen events in the sense of item (3) change the economic importance or the content of our performance significantly or have a profound effect on our operation, we have the right to withdraw from the contract. In this event, the Customer only has the right to claim restitution; claims beyond that, specifically claims for damages, are excluded.
- (5) We are prepared to provide partial services which can be invoiced separately.
- (6) If we miss a deadline, the Customer may withdraw from the contract, provided he grants us an appropriate extension and we allow this period to pass without curing. Further claims due to default, specifically claims for damages, are excluded, unless the default is due to intent or gross negligence; in case of gross negligence, our liability is restricted to compensation for damages that were reasonably foreseeable at the time the contract was signed.

VI. Shipping

The Customer will bear responsibility for all risks of transport. We will choose the method and route of transport. In doing so, we will endeavor to take into consideration wishes that the customer has communicated to us. We are not obligated to insure the merchandise against shipping damage.

VII. Transfer of Risk and Receipt of Merchandise

- (1) The transfer of risk to the Customer will occur at the latest at the time that the goods to be delivered are shipped; this applies also when partial deliveries are made and we bear the shipping costs or arrange for transport of the article to be delivered.
- (2) If shipping is delayed due to circumstances that are not in our control, the risk is transferred to the Customer as of the day the merchandise is ready for shipping.
- (3) Delivered goods, even if they display defects, must be accepted by the Customer, irrespective of the rights resulting from item VIII.

VIII. Warranty

(1) We are liable for defects of delivered goods as stated hereinafter:

(a) At our discretion, the delivered article will be repaired, a replacement article shipped or the delivered article will be taken back at invoice value, so long as legal warranty conditions have been met. Replaced parts will become our property. Replacement parts and repairs will be subject to the same warranty as that covering the originally delivered article. To the extent that we have chosen to repair or to deliver a replacement and the latter does not occur within an appropriate period of time, taking into consideration our options of delivery, the Customer has the right, at our discretion, to withdraw from the contract or to claim that the value of the article is reduced.

(b) As regards the costs for repair and/or the replacement item, we will bear the costs for repair and/or the replacement item, as well as the costs for assembly or disassembly, if the latter are performed by our technicians. If the repair and/or replacement are performed by third parties, our responsibility to assume the resultant costs depends on our prior written approval, unless special circumstances dictate immediate action and it is not possible to obtain our approval beforehand.

(c) We are not obligated to provide repair or replacement if the Customer is in arrears with payment of the purchase price in an amount which exceeds the reduced value of the delivered article due to the defect.

(d) Instead of the warranty rights stated in item (a) the Customer may claim damages only if the delivered article does not exhibit specifically guaranteed properties or if a defect in the delivered article was fraudulently concealed. A claim for damages beyond that is possible only in cases of intent or gross negligence. The same applies to consequential damages resulting from a defect. If gross negligence exists, our liability is restricted to damages reasonably foreseeable at the time the contract was signed.

(e) Warranty conditions require that the Customer reports the defect in writing within a period of 6 days, beginning at the time when the Customer has recognized the defect or should have recognized the defect had the article delivered been inspected thoroughly.

(2) Further claims, even those due to positive contractual violation of duty or those due to fault at the time the contract was signed, are excluded. This does not apply if and in so far that we have violated our contractual or pre-contractual duties intentionally or in a grossly negligent manner; in the event of gross negligence our liability is restricted to damages reasonably foreseeable at the time the contract was signed.

IX. Retention of Ownership

(1) We reserve the right to keep as our property the goods delivered by us until full payment of all claims derived from the delivery contract, including all extra costs, has occurred, and all claims derived from other contracts against the Customer at the time the delivery contract was signed have been settled, and the submitted checks and bills of exchange have been cashed. Furthermore, the retention of ownership extends to products that have been subject to processing. If the article delivered by us is processed or combined with another material, we acquire co-ownership of the resultant product, whereby our delivered product has a value proportionate to the value of the other material. Transfer of possession in the resultant product is achieved in that the Customer stores for us, at no charge, the respective article in accordance with good business practice.

(2) All claims resulting from the sale of articles to which we have ownership rights shall be assigned to us by the Customer, as appropriate, in the amount of our share of co-ownership in the sold article, including all ancillary rights.

(3) As long as the Customer meets his obligations to us, he is entitled to dispose of our retained property and our demands in accordance with standard business practice; exceptional disposals such as pledging and security and other assignments are not permissible. Access by third parties to articles and claims belonging to us, specifically pledges, must be promptly reported to us by the Customer.

(4) If the Customer acts contrary to the terms of the contract, in particular in the case of default of payment, the Customer will first be warned and is then obligated to return the delivered article to us. Our enforcement of the retention of ownership, as well as our placement of a lien on the delivered article, do not constitute a withdrawal from the contract.

(5) We undertake to release collateral upon the Customer's appropriate request, and reserve the right to make a selection, to the extent that the value of the collateral exceeds the claims to be secured by more than 50%.

(6) We have the right to insure the delivered article against theft, breakage, fire, water and other damage, at the Customer's expense, unless the Customer himself has provided proof that he has taken out such insurance.

X. Information and Consultation

Information relating to the use of our brochures, technical consultations, specifically instructions for use and maintenance of the delivered article and other information are not binding and given to the best of our knowledge. All liability in connection therewith is excluded, unless we have violated our duties intentionally or in a grossly negligent manner. Information given does not release the Customer from checking, for himself, our products regarding their suitability for the intended processes and purposes.

XI. Miscellaneous Rights of the Customer

(1) The Customer may withdraw from the contract, before transfer of risk occurs, if he is absolutely in no position or incapable of making payment to us.

(2) Claims for damages by the Customer due to impossibility or his inability to pay are excluded, unless an initial inability exists, or the impossibility or inability was caused by us in an intentional or a grossly negligent manner. In the event of gross negligence, claims for damages by the Customer are restricted to damages reasonably foreseeable at the time the contract was signed.

(3) The Customer does not have the right to withdraw from or terminate the contract beyond the conditions described above. Further excluded are claims for damages due to impossibility, default, positive contractual violation, fault at the time the contract was signed and unlawful acts, to the extent that they are not due to intent or gross negligence.

XII. The Right of the Supplier to Withdraw from the Contract

(1) Should unexpected events in the sense of item V (3) of these Terms of Sale and Delivery occur and, as a result of this, change the economic significance or the content of performance, or significantly affect our company, or should it be impossible to perform the agreed-upon service after the contract has been signed, we have the right to amend the contract appropriately. To the extent that an amendment of the contract is not economically feasible, we have the right to withdraw from the contract in full or in part. Claims for damages by the Customer on account of such a withdrawal are not possible.

(2) We may withdraw from the contract if a motion to commence bankruptcy proceedings concerning the Customer's assets has been filed or if reconciliation proceedings concerning the Customer's assets have commenced in or out of court.

XIII. Transferability of Rights

Subject to our written consent, the Customer may transfer his rights from this contract, in full or in part, to third parties.

XIV. Offsetting of Costs, Withholding Right

The offsetting of costs with counter-claims is permissible only when the counter-claim is uncontested and has been determined to be legally valid. A withholding right against our claims does not exist, unless the counter-claim is based on the same contractual relationship as our claim and we have been grossly negligent in our contractual obligations.

XV. Final Clauses

- (1) The place of performance for all deliveries and services is Fellbach (Germany).
- (2) The place of jurisdiction for all disputes arising from business transactions, to which these Terms of Sale and Delivery are applicable, is the Defendant's domicile. However, we also have the right to file a complaint against the Customer at the court (Stuttgart, Germany) that generally has jurisdiction in matters relating to us.
- (3) The legal relationship with the Customer is subject to German law, excluding the United Nations Convention on the International Sale of Goods.

NOTE:

For all disputes arising from business transactions, only the text of the original German version of these General terms of Sale and Delivery becomes applicable.