

General Terms and Conditions

I. General

- (1) Individual contractual agreements have priority over general terms and conditions.
- (2) Our offers are legally unbinding. Orders are first binding for us after having been confirmed in writing. The same applies for agreements made by telephone, over electronic means or by word of mouth, as well as for changes to any completed business dealings. The party ordering is bound to the order given.
- (3) The closure of the contract obligates the company to provide the promised service except for in circumstances which he has no control over.
- (4) Between the purchaser and the company only the general sales and delivery requirements of the company are binding. Differing requirements of the purchaser to the company are only recognised when agreed to in written form. This also holds when differing requirements are named in or appended to the order.
- (5) Our products are subject to non-material changes for the time after the close of the contract.
- (6) Our technical advice is unbinding. The contents of the order confirmation alone are binding when not revoked within 7 days.

II. Prices

- (1) Our prices are valid for three months beginning with the date of the confirmation of order. A differing agreement must be in written form according to Item I, (2).
- (2) A lack of creditworthiness of the purchaser made known or appearing afterwards gives us the right to change the terms of payment as we see fit or to cancel the contract.

III. Payment

- (1) All payments are to be paid in Euro in full on the due date. Holding back on payments and offsets of payments with any counter-claims are not allowed as far as the counter-claims are disputed or not judicially established. The right to a reduction is likewise excluded.
- (2) Periods allowed for payment begin when the invoice is received. It is assumed that our invoices reach your hands at the latest three days after their date.
 - a) If you pay within 14 days a discount of 2% is awarded. Otherwise the invoice is to be paid in full within 30 days at the latest. The discount is not awarded if the purchaser has defaulted in fulfilling commitments in other contracts.
 - b) Invoices for services (assembly, service and repair) are to be paid immediately after reception of the invoice.
- (3) Outstanding payments from the due date onward will be subject to common bank interest, at the least at the level of the statutory due date interest. Albeit, according to available legal conditions, we can also add an interest on late payments at a level of 8% above the basic interest rate, the proof of higher interest on late payment being reserved.
- (4) Discount and banking charges are carried by the purchaser.
- (5) All claims of the company are due if the payment requirements are not adhered to or if, after the close of the contract the company becomes aware of matters which in its view diminish the creditworthiness of the purchaser. Furthermore the company has the right to request a pre-payment or security deposit for outstanding deliveries or partial deliveries, to withdraw from the contract after a reasonable extension of time or to seek damages due to non-compliance.
- (6) All payments are to be paid exclusively to the company. The representatives of the company are only authorised to make

a collection when they are explicitly empowered to do so.

(7) Bills of exchange and drafts will be taken as payment. Their acceptance is at the discretion of the company. Bills of exchange must be bankable and tax paid.

IV. Delivery Time

(1) Terms of delivery and deadlines are non-binding. If a delivery time is agreed to be binding then the delivery time begins with the order confirmation. Stipulated delivery times require however that the purchaser clarify all technical and commercial details and meet the payment date.

(2) Unforeseen hindrances, whether they occur in our plant or with our suppliers such as e.g. interruptions of operations, outstanding debts, lockouts and similar other delays in the completion through no fault of our own release us from adhering to the delivery time. We will inform the customer of such circumstances as soon as possible. A claim for compensation by the purchaser due to delayed delivery does not exist.

(3) In the case of a non-binding agreed delivery deadline the purchaser can demand in written form at a time three weeks after the deadline was surpassed a delivery within a reasonable period of time. If the company does not deliver within this period of time, it is behind schedule. Damages caused by delay can only be asserted when the company is guilty of intentional damage or of crass negligence. In case of a delay the purchaser can also set a reasonable extension of time to the company in written form, with instructions that the delivered goods would not be accepted after expiration of the extension.

After the extension has expired the purchaser is entitled, in written form, to withdraw from the contract or in the case of crass negligence or damage caused by the company to demand compensation brought on by a failure to fulfil obligations. In such cases any claim to a delivery is ruled out. The purchaser has the same rights in the case of a binding delivery date being exceeded unless the claim is ruled out according to para. (2).

V. Shipment and Transfer of Perils

(1) The transfer of perils go over to the purchaser when the shipment is transferred to the forwarding agent, freight carrier or those responsible for shipping. This applies also when using a private vehicle and carriage free delivery. A transport insurance results only at the express wish of and at the expense of the purchaser. If nothing else is agreed to then the selection of dispatch route and shipment are the responsibility of the company.

(2) If the delivery must be stopped at the request of the purchaser after deduction, costs arising from this are absorbed by the purchaser.

VI. Notification of Defects, Guarantees and Liability

(1) The company retains the right to make changes for reasons of technical improvement, new regulations or similar developments.

(2) Claims of defects are to be lodged immediately after receiving the goods. If not received within one week of receiving the goods claims are ruled out. Defects which cannot be detected within this time period, (hidden defects) are to be contested immediately upon discovery.

Claims of defects are to be filed immediately after receiving the delivery.

The guarantee period is 12 months. The period begins with the transfer of perils.

(3) For legitimate claims the company guarantees compensation in accordance with the following rules :

a) The company has the choice of correcting the damage or delivering a replacement. Upon being queried, the purchaser has 14 days to answer as to in which manner he would like to exercise his choice.

b) If repairing or delivering a replacement is not possible, fails or is refused, the purchaser can demand an appropriate price discount (reduction) or cancel the contract if he so chooses.

c) Claims of compensation by the purchaser against us and our vicarious agents are ruled out. This does not apply to damages from injury to life, body or health. The liability exclusion does not apply if the damage is based on an intentional or crassly negligent breach of duty by the company or one of its legal representatives or vicarious agents.

The liability exclusion does not explicitly apply in the case where damages are ascribed to the violation of fundamental duties of the company. In this case we are liable for damages only as high however as possible consequences of negligence of duty were foreseen during the negotiation or conclusion of the contract or in consideration of the circumstances, which we knew or had to have known, were foreseen.

(4) Until the claim of defects is resolved, the goods in question may not be used. The company can demand that the goods in question be properly stored at the cost of the purchaser.

(5) If the purchaser makes changes to the delivered goods without written consent from the company then all warranty claims are forfeited.

VII. Reservation of Proprietary Rights

(1) All deliveries proceed with retention of title. Ownership is transferred to the purchaser when he has redeemed his complete liabilities from his business relationships with the company. This applies also when the purchase price has been paid for certain deliveries designated by the purchaser. When invoices are still open, reserved property can possibly be applied as a security against payment balance requests from the company. Whether payment is made in bills of exchange or drafts, only payment alone is considered the close of the transaction.

(2) The company pledges to release securities owned by the purchaser at the request of the purchaser to such an extent that the value of the securities exceed over 20% the value of goods being shipped.

(3) The purchaser cannot acquire proprietorship of delivered goods from the company by processing the goods into new objects. He processes the goods for the company.

By processing other goods not belonging to the company by the purchaser, the company is entitled to proprietorship of the new objects in relation to the invoice value of the processed goods subject to retention of title at the purchase price of the other processed goods. The same applies to new objects as to goods subject to retention of title.

(4) The purchaser must divest the delivered goods and the objects arising from them in orderly business dealings. The purchaser must retain proprietorship of the goods which is entitled to him from the recipient until the purchase price is fully paid. All claims of the purchaser arising from the secondary purchase of the goods subject to retention of title are surrendered as of now to the company. This also applies to other claims arising from legal issues concerning goods subject to retention of title. Should such goods be sold together with other goods, whether with or without agreement, then the requested purchase price, at the level of the value of the goods subject to retention, is surrendered. The purchaser is authorised to collect the surrendered amount as long as he correctly fulfils his obligations towards the company as stated in the contract.

(5) The purchaser surrenders at this time all claims from any leasing, renting or conferment of the delivered object until the termination of the retention of title of the company to this object.

(6) Any changes of ownership or dangers to the property of the company through a potential garnishment, intervention of third parties et. al., the purchaser must immediately contact the company.

Executory officers are to be informed of the retention of title to the company. The purchaser is liable for any costs and damages arising from neglect in giving the notification above or manifestations of necessary intervention.

(7) If the purchaser is delayed in making payment then the company is authorised to take back all delivered goods which lie under retention of title. To fulfil this, the purchase is to allow access to the business areas.

(8) The purchaser is obligated to sufficiently secure the goods subject to retention of title. He surrenders to the company any possible claims from insurance relationships.

VIII. Place of Fulfilment and Jurisdiction

For all contractual and non-contractual disputes German law and the local and internationally exclusive jurisdiction of the court responsible for Vreden are agreed upon.

However in isolated cases the company is authorised to lodge complaints also in the business location of the purchaser or in others for reasons of dealing with domestic or foreign issues of law.

The applicability of the agreement of the United Nations of 11 April 1980 on contracts about international purchases of goods (UN Purchase Law) is excluded.

IX. Invalidity

The preceding regulations are fully effectual even in the case of invalidity in a single provision.

Voided provisions are to be used in such a way as it serves the purpose of the contract and the interests of the contract partners.

Vreden, 01.01.2008