

General Terms and Conditions of Sale and Delivery

1. General provisions

- a) The following Terms and Conditions of Sale and Delivery apply to all deliveries effected between us and our customers unless otherwise agreed in writing.
- b) Purchase terms and conditions of the customer deviating herefrom are hereby excluded. Such terms must be expressly recognized by us in writing in order to become legally effective. They shall not become an integral part of the agreement even if we perform delivery without reservation.
- c) Our General Terms and Conditions of Sale and Delivery only apply to entrepreneurs.

2. Offer and execution of the agreement, documentation

- a) Brochures, advertisements, catalogues and other advertising materials or Internet sites do not contain any offer by us.
- b) The customer must place binding offers in writing. We may accept them within a period of 10 days of receipt by us by means of an express order confirmation or by delivery or reasonably acceptable partial delivery of the goods with reference to the offer given.
- c) Ancillary agreements and oral statements must be confirmed in writing to become effective.
- d) We reserve the right to undertake modifications to design and execution, even during the delivery period. Material modifications in design and execution shall be agreed with the customer in advance.
- e) Illustrations, records, details of weights and performance are only non-binding approximations unless they are explicitly indicated as being binding.
- f) We reserve the right of ownership and copyright to cost estimates, drawings, installation proposals and other drafts and documentation; they may not be made accessible to third parties without our consent.

3. Prices

- a) All prices are in euro excluding Value Added Tax. The prices are ex-works excluding packaging and only apply to the current order, i.e. not with retrospective effect nor with effect on future orders. Even if delivery has been agreed as f.o.b. or free German border, we have the right to charge the full amount of freight and incidental costs from the plant for orders with an invoice value of under Euro 100.
- b) The invoice shall additionally itemize and charge the respective rate of Value Added Tax.
- c) Packaging costs shall be charged at cost price and the packaging is not returnable.
- d) Price increases based on governmental regulations may be charged upon delivery; the same applies to price increases ensuing in wages, materials or other costs in the period of time between the quotation and delivery dates if they should produce price increases influencing total production costs by over 5 % on aggregate.

4. Delivery and Shipping

- a) Unless otherwise agreed, all deliveries shall be effected ex works at the customer's risk, irrespective of whether freight prepaid, f.o.b. or C and F has been agreed.
- b) If no particular type of shipment has been stipulated, the goods shall be shipped in the manner appearing most economical, but without any warranty for the safest, cheapest or fastest carriage.
- c) If the shipment of the goods is delayed at the request of the customer, we are entitled to charge storage costs with effect from the date of notification of readiness for shipment in an amount of 1 % of the invoice amount for each month of storage commenced.

The storage charge shall be limited to 10 % unless we prove higher costs.

- d) The date of passing of risk is deemed to be the date on which the notification of readiness for shipment is sent, if no such notice is sent, then it shall be the time when the goods being supplied leave the works.

5. Delivery date

- a) The delivery period commences on the date of acceptance of the order insofar as the technical execution has been fully clarified and any documentation to be submitted by the customer is at our disposal. If the full documentation to be provided by the customer is not received punctually, or in the event of non-compliance with any other obligations of the customer, the delivery period shall be prolonged accordingly.
- b) Unless otherwise agreed, the delivery date indicated is deemed to be the date on which the goods leave our plant and will be adhered to if possible, subject to the reservation that deliveries to us are punctual and correct, but cannot be guaranteed. Partial delivery is permissible in the event of large orders; these partial deliveries can be charged separately.
- c) If we are prevented from performing our obligations due to the occurrence of unforeseen circumstances which we were unable to avert despite reasonable care in the given circumstances – irrespective of whether such circumstances occurred at our company or at our suppliers – then we are entitled to reasonably prolong the delivery period by a time period commensurate with the duration of the hindrance. If the aforementioned circumstances render performance of the service or delivery impossible, we shall be released and discharged from the delivery obligation and from all other obligations connected therewith. We shall advise the customer without delay of the occurrence of such circumstances. If we are released and discharged from our delivery obligations pursuant to the aforementioned provision, the customer may not claim any compensation. The same regulation shall apply in the event of force majeure and also in case of plant interruptions, lock-out and strike; this shall also apply if such circumstances do not occur at our company but at our suppliers.
- d) In the event that the circumstances set forth in letter c) occur, the customer has the right to terminate the agreement if the date indicated in the order confirmation or the delivery date reasonably extended in accordance with the aforementioned provisions is not met by more than four weeks and if, after this period of time has elapsed, the customer has set us a reasonable period of grace which we have allowed to lapse to no avail.

6. Warranty

- a) Complaints on account of externally visible defects must be notified to us in writing no later than eight days after receipt of the goods; we must be notified in writing of complaints on account of concealed defects immediately after their discovery.
- b) The warranty period is twelve months irrespective of when a complaint is raised by the customer, calculated from the date of delivery to the customer.
- c) If the goods delivered stem from our own production, we may, at our discretion, execute the warranty by repairing the defective product delivered, or, if applicable, the defective part, or by replacing the product delivered or defective part with a properly-functioning product. Only if we fail to comply with this obligation despite two reminders, both times within a reasonable period of time, is the customer permitted to demand termination of the agreement or a reduction of the purchase price. In case of merchandise for resale we may demand that

the customer raise its claims on account of defects with our supplier first of all. To this end we assign to the customer the claims to which we are entitled from our supplier. Only if thus asserting the claims against our supplier does not lead to a remedy of the defect, are we obliged to execute the warranty in the same way as if the product were from our own production (see paragraphs a) and b)). The customer shall transfer back to us the claims on account of defects to which we are entitled from our supplier.

- d) The warranty shall lapse if the damage to the goods delivered is due to improper handling, excessive use, inadequate maintenance, abnormal operating conditions or to transport damage.
- e) No warranty is assumed for unsuitable materials explicitly stipulated by the customer which deviate from the normal execution of the goods.
The same applies to other deviations from the normal execution of the goods delivered stipulated by the customer, insofar as we did not explicitly consent to inclusion under the warranty.
- f) The warranty shall lapse if any work or other adjustment is improperly carried out by the customer or a third party on the goods delivered without our consent or if other interference or unprofessional maintenance work is effected. The same shall apply to damage which is due to improper installation.

7. Claims for compensation

- a) Claims for damages and compensation of expenses asserted by the customer irrespective of the legal ground therefor, in particular based on the contractual relationship and tort, shall be excluded.
- b) This shall not apply in the case of compulsory liability, for instance pursuant to the German Product Liability Act, in cases of deliberate acts or omission or gross negligence, on account of injury to life or limb or damage to health or on account of a breach of material contractual obligations.
- c) The claim for damages for a breach of material contractual obligations is, however, limited to foreseeable damage typical for the agreement, except in the case of deliberate acts or omission or gross negligence or if there is liability due to injury to life or limb or damage to health.

8. Payment

- a) Unless otherwise agreed, invoices are payable either within 14 days less 2 % discount or the net amount is payable within 30 days. The invoice amount for repair work or paid labour is payable immediately after receipt of the goods without any deduction.
- b) Payment may only be withheld in case of counterclaims which are undisputed or recognised by final and binding judgment; exercising a right of retention is not otherwise permissible. The customer may only offset claims which are undisputed or recognised by final and binding judgment; offset is otherwise excluded.
- c) If, following prior agreement, bills of exchange are accepted, they shall only be accepted for the purpose of payment. The customer shall bear the discount and bill of exchange charges plus Value Added Tax in accordance with the private bank rates applicable.
- d) If payment is not effected by the due date, we shall be entitled to charge statutory default interest. The possibility of raising a claim for further damages is not excluded.

9. Security

- a) We shall retain title to the goods delivered pending performance of all the claims to which we are entitled from the business association with the customer.
- b) As long as we retain title to the goods delivered, they may only be sold or processed in the normal course of business.
- c) Any processing or transformation by the customer of the goods delivered is always effected for us. If the goods delivered are processed together with other products not belonging to us, we shall acquire co-ownership in the new thing in the same ratio as the value of the goods delivered (including VAT) in proportion to the other processed products at the time of processing.
- d) Any pledging of the goods delivered is excluded.

- e) The customer assigns to us as security now already all of the claims and all ancillary rights to which the customer is entitled from the sale of the goods delivered or of the processed product. If the customer sells the goods delivered without any further processing, the assignment of security encompasses the full amount of the customer's claim; if the product has been processed, the customer's claim is assigned to us in proportion to the share of material.
- f) If the customer should suspend payments, the customer's right to process or sell the goods delivered shall lapse. At our request, the customer is obliged to immediately advise the names of the customer's customers and, if appropriate, the amount of the material share, and to submit the documentation and documents required in this respect. With effect from the date on which payments are suspended we shall be entitled to collect the outstanding amounts directly without any collaboration by the customer. We shall also be entitled to the aforementioned rights if, in the event of a title awarded by final and binding judgment or with provisionally enforceable effect, the customer fails to perform the title claim in response to a demand from us.
- g) If the customer is in default in its payment obligation to us or if the customer violates one of the obligations ensuing from the retention of title or extended retention of title, all amounts due to us shall become payable immediately, even if they had previously been deferred or were due on a specific date. After giving advance notice, we shall have the right to recover the goods delivered; this shall only be deemed to constitute termination of the agreement if we declare that this is the case in writing. Furthermore, we have the right to terminate the agreement after setting a reasonable deadline, and/or to demand compensation for damages.
- h) The customer is obliged to uphold our rights vis-à-vis all third parties. The customer must advise us immediately in case of attachments or threat of attachment and advise the creditor collecting claims of our security rights. Insofar as the value of the security rights to which we are entitled exceeds the sum total of all our claims by 20 %, we shall release security products or security rights or parts thereof at our discretion.

10. Jurisdiction, place of performance and choice of law

- a) If the customer is a merchant under German law (Kaufmann), the court of Schwäbisch Gmünd shall have jurisdiction over all disputes arising from the contractual relationship both directly and indirectly.
- b) Place of performance is at our registered office.
- c) The laws of the Federal Republic of Germany shall apply exclusively to the contractual relationships.

11. Comments on data protection law

Pursuant to the provisions of the German Data Protection Act we point out that our bookkeeping is conducted on electronic data processing equipment and that in this connection we also store data obtained by virtue of the business relationship with the customer.

12. Miscellaneous provisions

If a provision should be or become void, the validity of the remaining provisions shall remain unaffected thereby.

As amended: 26 October 2004