

General Terms and Conditions of Business

Art. 1 Terms of Delivery:

For all deliveries, only the Terms and Conditions of the Seller shall apply. Customer by receiving the order confirmation expressly accepts these terms. Terms of purchaser which are not in accordance with the above mentioned shall not be binding to Seller, even if Seller makes no written objection to them.

Art.2 Offers:

All offers made by Seller are always and in all parts without engagement.

Art. 3 Acceptance of Offer and Obligation to deliver:

a) By placing an order, Purchaser declares that Purchaser is able to pay and creditworthy. Where after acceptance of an order there appears to be a well-grounded reason to doubt such ability to pay and creditworthiness, Seller is entitled to require advance payment or security before fulfilment of the Contract, or to withdraw from the Contract.

b) Orders placed are deemed accepted only when Seller acknowledges them in writing. This applies also to agreements with Seller's representatives and to statements made orally, by telephone, by facsimile or comparable means.

c) Seller has no claim for delivery in cases where delivery is made impossible by events beyond Seller's control, such as, *Force majeure*, Strike, Lockout, a default of execution by a supplier and other such events. In such a case both Purchaser and Seller are entitled to withdraw from the Contract. Claims for damage are excluded.

Similarly, no claim for damage exists if certain models are no longer produced due to operational restrictions, changes in the product, renewal of product range or other such reasons. Where the differences are only minor, Purchaser remains obliged to accept the product.

Art. 4 Delivery Periods:

We will make every effort to respect the delivery dates stipulated in the order confirmation.

In case of late delivery, a reasonable additional period has to be agreed that respects the interests of both Parties.

Where a deadline for delivery cannot be met for reasons beyond the control of Seller (Art. 3 c), Seller is entitled to deliver later or to withdraw from the Contract, in whole or in part.

Where Goods are delivered later and delivery is made and accepted without complaint, delivery is deemed to have been made in good time and

order. Damage claims by Purchaser because of late delivery or because of default of delivery are always excluded.

Art.5 Pricing:

Prices listed in the purchase price list of Seller in EUR are without VAT. VAT shall be calculated and invoiced at the legally applicable rate.

The invoice will show the prices applicable on the date of delivery in EUR, unless otherwise agreed. Prices include shipping free domicile of the Purchaser or to the German border, unless otherwise agreed.

Art.6 Terms of Payment:

a) Goods and Services are invoiced on the day of delivery in EUR and amounts are due and payable 14 days after the date of invoice, without deductions.

Partial deliveries are subject to the same terms of payment.

Discounts, if any, shall be applied only if all due amounts from earlier deliveries have been paid in full.

b) Checks are accepted only as a conditional payment and not in lieu of payment. Seller is not obliged to accept payment by check. Where a check is accepted, this does not in any way grant a deferral on payment.

c) Bills of exchange are **NOT** accepted.

d) Default:

Purchaser shall be in default with a payment when the stipulated deadline for payment has passed. A reminder is not necessary. Where a payment date has been stipulated according to calendar, this date is deemed agreed upon in accordance with Art. 284 Par.2 BGB.

In case of default, all amounts receivable become due immediately. From the due date of an invoice, amounts are subject to a default interest in the amount of the German Federal Reserve Bank discount rate plus 5% (the rate applicable on the date that the invoice was due) as well as all costs and legal and/or Out-of-Court fees of default actions.

In case of default, Seller shall be entitled to take possession of items delivered and may, different from the legal provisions governing sales of items under lien, sell those items at Seller's discretion at the cost and peril of Purchaser, or may take those items into possession as security, and this shall not free Purchaser from his obligation to fulfil the Contract, especially, to pay the due amount forthwith.

Where default occurs, this shall normally constitute a well-grounded reason to doubt the

ability to pay and creditworthiness of Purchaser (Art. 3 a).

Art.7 Objection for Fault:

Transport damage must be brought to the attention of the forwarder or transport agent immediately. The transport agent must be contacted immediately the Goods are discharged so that a facts report can be made.

Objections for visible faults must be made immediately in writing, but not later than 8 days after the Goods have been received. Hidden faults must be brought to attention in writing immediately the fault is discovered.

The warranty period shall in any event not exceed 6 months after the date of delivery.

Seller will, at Seller's discretion, repair or replace the faulty item. Where this is not possible or not satisfactory, a replacement delivery of similar type and value shall be undertaken. Where a replacement delivery is not possible, Purchaser may request a price reduction or may withdraw from the Contract. Further claims such as damages for non-fulfilment or claims pursuant to Art. 476 a BGB are excluded.

Purchaser must ensure that the Goods concerned by the objection remain available. Purchaser shall, after agreement with Seller, send the Goods back, adequately packed, and shipment will be done at Purchaser's cost, risk and peril. Seller will decline to accept faulty Goods that are sent back without such prior agreement.

Slight differences in manufacture or in the measures shall not entitle Purchaser to refuse the item.

An existing objection for a fault shall not entitle Purchaser to withhold payments or to make deductions.

Art. 8 Property Reserved:

a) The Goods shall remain the property of Seller until all amounts receivable that stem from the business relationship are fully paid.

b) Purchaser is entitled to resell the Goods in the scope of Purchaser's regular business activity, subject to the following provisions:

Permission for the Purchaser to resell Goods under Property Reserved shall lapse when Purchaser stops payments or when an insolvency procedure or receivership has been instituted upon Purchaser's assets.

A resale shall be considered in good order only if Seller retains the security privileges contained in these Terms and Conditions, and that, especially, the claims against the Third Party debtor are assigned to Seller in advance.

Purchaser already now assigns amounts receivable from a resale of Goods under Property Reserved to Seller.

Seller shall not claim payment of such amounts receivable from the Third Party debtor as long as Purchaser satisfies payment obligations. However, Purchaser shall be obliged to disclose the Third Party debtors to Seller with their complete addresses and to inform them about the assignment. Purchaser may claim payment of such amounts receivable unless and until Seller instructs Purchaser otherwise. Where Purchaser stops payments to Seller, this shall end Purchaser's privilege to receive payments for resold Goods *ipso facto*. No warning shall be necessary.

It is not permitted to establish pledges or bonds upon items under Property Reserved or to use them as security, and the amounts receivable belong to Seller and may not be otherwise assigned. Any pledge or bond nevertheless established upon such items under Property Reserved must be brought to the attention of Seller immediately in writing. Pawn creditors must be informed in writing that the items are under Property Reserved.

Purchaser is obliged to hand over to Seller, immediately Purchaser stops payments and right after that fact has been announced, a list of items present with Purchaser that remain under Property Reserved, as well as a list of amounts receivable from Third Party debtors originating from the resale of such, together with the invoicing addresses of such Third Party debtors. Amounts receivable assigned to Seller that are paid by Third Party debtors must be kept separate until they are transferred.

A violation of this obligation will make Purchaser liable to damages, and the amount of damages shall correspond to the value of the securities that existed at the moment at which the items were resold or at the moment at which Purchaser stopped payments.

To secure the claims for purchase price from earlier deliveries, from this business relationship and from future deliveries, Purchaser shall give ownership to Seller of all Goods originating from Seller, paid or unpaid, that are on the premises of Purchaser. Purchaser must take good care of these Goods as if they were his own, and may sell these items only as long as it is safe that the assigned proceeds of such resale shall accrue to the benefit of Seller.

c) Seller is entitled to require from Purchaser the immediate restitution of Goods under Property Reserved without the need to agree on a deadline or to declare withdrawal from Contract, and Seller is also entitled to require the transfer of any rights to restitution that Purchaser may have for such

Goods against Third Party buyers to Seller, if Purchaser does not satisfy his contractual obligations, especially if Purchaser treats the Goods under Property Reserved improperly or if Purchaser is defaulting on his payments of purchase price, in whole or in part. Purchaser may require that amounts paid by Purchaser are paid back to him only after Seller has withdrawn from the Contract and the Goods under Property Reserved have been returned to Seller.

d) Purchaser is obliged to take out adequate insurance to cover the Goods under Property Reserved against the risks of fire, burglary, theft and water damage. Claims against insurer are assigned already now to Seller in the amount corresponding to the value of the Goods.

e) Seller shall unlock the securities that Seller is entitled to pursuant to these provisions, at Seller's discretion, as soon as these securities correspond to the value of Seller's claims to be secured plus 20%.

f) The Goods retained shall be credited according to their condition. It is agreed between Purchaser and Seller that reductions in value may apply to items returned.

Art. 9 Tolerances:

Small differences against the measures and colours shown in the catalogue are permissible. This concerns especially differences in manufacturing technology, changes in measure and manufacture of certain models as well as technical improvements, and Seller reserves the right to make such changes to ensure that Seller's product portfolio is always up-to-date.

Such changes do not entitle Purchaser to make objections.

Art. 10 Offer and Sales documents:

Documents related to Sales and Offers remain the property of Seller. They may not be shown or submitted to suppliers under any circumstances. Documents made available must be returned free of charge as soon as it is requested to do so. Explanations, notes and reserves contained in our catalogues and price lists are deemed a component part of our Terms and Conditions.

Art.11 Storage of data:

Seller uses Computer equipment to store various kinds of data from business activities. To the extent that in this context personal data are stored, the Ordering Party acknowledges in accordance with Art. 26 Par. 1 of the Data Protection Law that such data are stored.

Art.12 Exports:

For contracts involving foreign Purchasers, it is hereby agreed that the Law of the Federal Republic of Germany shall apply.

Art.13 Place of fulfilment and competent Court:

Place of fulfilment for all deliveries and payments is Steinheim. As far as this is permitted by Art. 29 ZPO (German Civil Procedure Law), the basic Court of Brakel or, at our discretion, the basic Court of Paderborn shall be exclusively competent.

Art.14 AGB Law (German Law governing Terms and Conditions):

To the extent that these Terms and Conditions differ from Articles 2, 10, 11 and 12 of the AGB Law, these differences shall be valid only if and as far as the requirements of Art. 24 AGB Law are satisfied.

Art.15 Coming into force:

These Terms and Conditions upon their coming into force shall supersede and replace all so far existing Sales and Delivery conditions.

Art.16:

Where individual provisions are found to be or will become ineffective, the other provisions shall nevertheless remain valid.