

General Terms of Business, Edition Date: 1st April 2011

Article 1: Scope of applicability

- (1) The Terms of Business (edition current at the time of order) apply to all current and future business transactions.
- (2) The term "Client" in the context of these Terms of Business refers only to entrepreneurs ("*Unternehmer*"), being either a natural person, a legal entity or private unlimited company having legal capacity, with whom transactions are entered into and which are carrying on a commercial or professionally self-employed business.
- (3) Differing, contradictory or supplementary general terms of business, even if known, shall not become part of the contract, unless their application is expressly agreed to.
- (4) The entire agreement made between the parties for the performance of the contract is set down in writing in the contract.

Article 2: Contract formation

- (1) Offers we may make are subject to alteration and not binding. This is also the case where we have provided the Client with catalogues, technical documentation (such as drawings, plans, calculations, references to DIN norms etc.), other product descriptions or documents, in electronic form as the case may be, in which we have reserved proprietary and authorship rights.
- (2) The Client's order of the goods is a binding offer of contract. Unless to be inferred otherwise in the offer, we are entitled to accept the offer within 14 days after our receipt thereof.
- (3) Acceptance of the offer may be effected either in writing (e.g. as an order confirmation) or by delivery of the goods to the Client. If the order was made in electronic form, then we shall confirm receipt of the order but this confirmation of receipt is not binding acceptance of the order.

Article 3: Time for delivery and delay in delivery

- (1) The time for delivery is to be agreed individually or else indicated by us on acceptance of the order.
- (2) If a binding time for delivery cannot be honoured by us for reasons for which we are not responsible (unavailability of the subject of performance ("*Nichtverfügbarkeit der Leistung*")), we shall inform the Client hereof without delay and at the same time notify him of the new foreseen time for delivery. If the subject of performance is still unavailable within the new time for delivery, then we may rescind the contract in whole or in part; we will reimburse, without delay, any corresponding consideration already paid by the Client. In particular, late performance by a subcontractor shall constitute such an unavailability, where we have entered into a congruent counter-contract with that subcontractor. Our statutory rights of rescission and termination remain hereby unaffected, as do the statutory rules on contract execution in the event of exclusion of the duty to perform (such as impossibility or where the performance, or remedial performance, cannot reasonably be expected). The Client's rights of rescission and termination pursuant to Art. 8 of these Terms of Business also remain unaffected.
- (3) The begin of any delay in our delivery is determined by the statutory rules. In any event, the Client's reminder is required. If we are in delay, the Client may claim liquidated damages for the delay. The amount of liquidated damages per full week of delay is 0.5%, however not more than 5%, of the net price of the goods delivered late. We retain the right to prove that the Client has sustained no damage at all, or damage substantially lower than the foregoing amount.

Article 4: Delivery, passing of risk, acceptance, delay in taking possession

- (1) Delivery is effected at the warehouse location, which is also the place of performance. At the Client's request and expense, the goods may be sent to an alternative specified location ("*Versendungskauf*"). In the absence of any agreement otherwise, we may determine the method of transport of the goods (in particular the choice of haulier, route and packaging) ourselves.
- (2) We are entitled to engage third parties for the fulfilment of our performance obligations.
- (3) The risk of damage to and/or loss of the goods passes at the latest on transfer of possession to the Client. Where the goods are sent to a location specified by the Client pursuant to Art. 4(1) above ("*Versendungskauf*"), risk of damage to and/or loss of the goods (as well as the risk of delay in delivery) passes on transfer of possession of the goods to the courier, haulier, or other person or institution chosen to dispatch the same. Insofar as an act of acceptance is agreed, then this shall determine the passing of risk. The statutory rules on contracts for works ("*Werkvertragsrecht*") also apply correspondingly where an act of acceptance is agreed. If the Client is in delay in taking possession of the goods, then this shall be deemed as transfer of possession, or acceptance, as the case may be.
- (4) If the Client is in delay in taking possession of the goods, or fails to perform a required cooperative action or if delivery by us is delayed for any other reason (or reasons) for which the Client is responsible, then we are entitled to claim compensation of the damage thereby caused, including extra expenditure such as storage cost.

Article 5: Prices and payment terms

- (1) Except where agreed otherwise in individual cases, our prices current at the time of conclusion of the contract apply and are expressed ex-works, net of VAT.
- (2) Where the goods are sent to a location specified by the Client pursuant to Art. 4(1) above ("*Versendungskauf*"), the Client shall bear the transport cost from the warehouse location onward, plus the cost of transport insurance if requested by him. A fixed fee of EUR 50.00 covering transport cost (excluding transport insurance) is agreed, except in individual cases where we may invoice the transport costs actually incurred. Customs clearance & excise duty, taxes and other state contributions are for the account of the Client. All packaging materials, in accordance with packaging regulations (except palettes), are non-returnable to us and shall become the Client's property.
- (3) The contract price is due and payable within 14 days from invoice date and delivery of the goods (or transfer of possession thereof, as the case may be). However, in the case of contracts with a delivered value of over EUR 5,000.00, we are entitled to an advance payment instalment of 30% of the contract price. This payment is due and payable within 14 days from the date of invoice.
- (4) On expiry of the foregoing time for payment, the Client is in payment delay. Interest shall accumulate on the contract price during payment delay at the statutory rate applicable for late payment. We reserve the right to claim for any other damages caused by the delay.
- (5) Rights of set-off or retention shall only be available to the Client where the latter's claim has been determined judicially, or is undisputed.

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(6) If, at any time after conclusion of the contract, it becomes apparent that our claim to the contract price is jeopardised by the Client's inability to pay (e.g. in the event of an application to commence insolvency proceedings), then we may refuse performance in accordance with the statutory provisions and rescind the contract (Section 321 of the German Civil Code ("§321 BGB")), if necessary giving notice. In the case of contracts for the production of bespoke items, we may rescind the contract immediately. The statutory provisions on notice dispensibility remain hereby unaffected.

Article 6: Retention of property; intellectual property rights

(1) Property in the goods sold remains with us until complete satisfaction of all our existing and future payment claims arising from the contract of sale and ongoing transactions (hereinafter "secured claims").

(2) Until complete payment of the secured claims, goods subject to retention of title may neither be pledged to third parties nor transferred as security. The Client shall inform us in writing without delay whenever and to what extent third parties access goods belonging to us.

(3) In the event of the Client's breach of any of the provisions of this contract, in particular in the event of non-payment of the contract price due, then we are entitled, pursuant to the statutory rules, to rescind the contract and/or demand return of the goods by reason of the retained title therein. The return demand does not in itself constitute a declaration of withdrawal from the contract; rather, we are entitled to demand the goods' mere return, while reserving the right to rescind the contract. If the Client does not pay the due contract price, then we may only enforce these rights where the Client has first been granted a reasonable period of time to pay, or where to grant such a period is deemed unnecessary according to the statutory rules.

(4) The Client may sell and/or process the goods subject to retention of title, in the normal course of business. In this case, the following conditions shall also apply:

(a) The retention of title also extends to the products created by the processing, combination or connection of our goods, for the full value of said products; whereof we are deemed manufacturer. Where, in the case of processing, combination or connection with goods of third parties, the latter's rights of ownership therein remain, then we shall have joint ownership therein for a share proportional to the invoiced values of the processed, combined or connected goods. Further, the same applies for the created product as for the goods delevered subject to retention of title.

(b) Claims against third parties (such as payment claims) ensuing from selling on the goods, or the created product, are hereby assigned by the Client to us now in their entirety (or for the value of our joint property share pursuant to the foregoing subparagraph, as the case may be), as security. We accept the assigned rights. The Client's obligations pursuant to Art. 6(2) also apply in respect of the assigned claims.

(c) Besides us, the Client is also authorised to collect claimed payments. We shall not collect payment insofar as the Client fulfils its payment obligations to us, does not delay payment, does not apply to enter insolvency proceedings and is not in any other way affected in its capacity to perform its obligations. Should that however be the case, then we may demand that the Client notifies us of the assigned claims and of the corresponding debtors, provides all details required and all corresponding documents necessary for the collection and notifies the debtor/s of the assignment.

(d) If the liquidable value of the securities is more than 10% above the value of our claims, then at the Client's request, we shall release securities selected by us.

(5) We shall have the exclusive right to work products, such as inventions, created by us or by those acting on our behalf for the purposes of contract performance.

Article 7: Liability for defects

(1) Except as hereinafter provided otherwise, the Client's rights in cases of material and legal defects (including delivery of the wrong item and delivery of a short quantity ("*Falschlieferung*" and "*Minderlieferung*", respectively) as well as incorrect installation or defective installation instructions) are as set out in the relevant statutory provisions. The statutory provisions applicable where final delivery is to a consumer (supplier's rights of action pursuant to Sections 478, 479 of the German Civil Code (§§478, 479 BGB). remain hereby unaffected.

(2) Our liability for defects is founded firstly on the agreement on the goods' quality. Agreement in this sense is understood to mean all product description/s embodied in the individual contract, whereby it makes no difference whether said description originates from the Client or from us.

(3) Insofar as no quality has been agreed, then the existence of defects shall be determined according to the statutory provisions (Section 434 Para 1(2) & (3) of the German Civil Code). We accept no liability however for any public statements by the manufacturer or other third parties (e.g. advertisements).

(4) The Client's defects claims are conditional on fulfilment of its statutory duties of inspection and defect notification (Sections 377 & 381 of the German Commercial Code (§§ 377, 481 HGB). Should a defect become visible during an inspection or thereafter, then we must be notified thereof in writing without delay. Without delay means the notification is made within two weeks, whereby the timeous sending of the notice within the deadline shall suffice. Notwithstanding the duties of inspection and notification, the Client must report any obvious defects (including delivery of the wrong item and delivery of a short quantity) within two weeks from delivery, in writing, whereby, again, the timeous sending of the notice within the deadline shall suffice. Should the Client fail to properly inspect the goods and/or duly report a defect, then we shall have no liability for the unreported defect.

(5) If the delivered goods exhibit a defect or defects, then we may first elect whether to remove (make good) the defect or deliver non-defective goods by way of replacement (substitution). Our right to refuse the selected remedy on statutory conditions remains unaffected.

(6) We are entitled to make the due remedial performance conditional upon the Client's payment of the due contract price. The Client may however withhold a portion of the contract price commensurate with the defect.

(7) The Client shall afford us the time and opportunity required for due remedial performance, in particular by granting possession of the affected goods for the purpose of inspecting them. In the case of substitution then the Client shall return the defective goods to us in accordance with the statutory provisions.

(8) In the case of an actual defect, we shall bear the cost necessarily incurred in the inspection and making good thereof, specifically the cost of transport, labour and materials. Should the Client's claim for remedy of a defect prove unjustified however, then we may request compensation of the ensuing costs from the Client.

(9) In urgent cases, e.g. where operational safety is jeopardised, or for the avoidance of disproportionate damage, the Client may remedy the defect himself and claim compensation of the objectively necessary expense incurred. We are to be informed of such

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an event without delay, beforehand if possible. The Client's right to remedy the defect himself shall not apply in cases where we would be entitled to refuse remedial performance according to the statutory provisions.

(10) If the remedial performance is unsuccessful, or if a reasonable period for the remedy is set by the Client and expires without success, or if said period is dispensable according to the statutory provisions, then the Client may rescind the contract (provided the defect is at least substantial) or claim a reduction in the contract price. The right of withdrawal from the contract is limited to the affected contractual relationship and shall not extend to other existing contracts between the parties.

(11) In the case of sale of used goods, we shall only be liable for defects claims by the Client (other than for damages ensuing from loss of life, physical injury or damage to health) which are caused by us intentionally or through our gross negligence.

(12) The Client's claims for damages or compensation of unnecessary expense shall only be valid if correctly lodged in accordance with Article 7(8) and are otherwise excluded.

Article 8: Other liability

(1) Except and insofar as provided otherwise in these Terms of Business (including the following provisions), then we shall be liable for breaches of contractual and extra-contractual obligations onyl in accordance with the relevant statutory provisions.

(2) We shall only be liable for damages, whatever the legal grounds, in cases of intent and gross negligence. In cases of mere negligence, we shall only be liable:

a) for damage caused by loss of life, physical injury or damage to health,

b) for damage caused by a fundamental breach of contract (breach of an obligation, failing fulfilment of which the proper execution of the contract would be impossible and upon which the other party habitually and reasonably relies); in this event, however, our liability is limited to compensation of the foreseeable and typical damage thereby caused.

(3) The limits of liability provided by Art. 8(2) above shall not apply in cases of fraudulently concealed defects or where we have guaranteed the quality in question. The same applies to the Client's claims pursuant to the German Product Liability Act ("*Produkthaftungsgesetz*"), we are not obliged to take out recall cost insurance cover.

(4) In the event of a breach of an obligation which does not constitute a defect, then the Client may rescind or terminate the contract only if we are responsible for the breach. There shall be no right to freely terminate the contract (in particular as provided by Sections 651 & 649 of the German Civil Code). The statutory provisions and remedies shall otherwise apply.

Article 9: Limitation

(1) In deference to Section 438 Para.1(3) of the German Civil Code, the general limitation period for claims due to material and legal defects is one year beginning on delivery. If an act of acceptance has been agreed, then the limitation period begins on acceptance.

(2) If the goods may be defined as a building, or a thing which used in a building consistent with its usual use and has caused a defect therein (building material), then in accordance with the statutory provisions, the limitation period shall be 5 years beginning on delivery (S. 438 Para. 1(2) of the German Civil Code). The statutory provisions regarding real rights of third parties to return of the purchased item (S. 438 Para. 1(1) of the German Civil Code), seller's fraud (S. 438 Para. 3(3) of the German Civil Code) and recourse claims where final delivery os to a consumer (S. 479 of the German Civil Code) remain unaffected.

(3) The foregoing limitation periods, applicable to contracts of sale, also apply to the Client's contractual and extra-contractual damages claims due to defects in the goods, except in particular cases where the application of the regular statutory limitation period (pursuant to Sections 195 & 199 of the German Civil Code) would lead to a shorter limitation period. The limitation periods prescribed by the German Product Liability Act remain in all cases unaffected. The Client's damages claims pursuant to Article 8 shall otherwise be exclusively subject to the statutory limitation periods.

Article 10: Use of software

(1) Insofar as software is included in the scope of delivery, the Client is granted a non-exclusive right to use the delivered software including any pertinent documentation. The software is provided for use on the delivered item foreseen for the purpose. Use of the software on more than one system is not permitted.

(2) The Client may only make copies of, edit, translate or reverse engineer the software to the extent permitted by law (Sections 69 a et seq. Of the German Authorship Act ("*Urhebergesetz*")). The Client shall not remove or alter without our express prior permission, any manufacturer statements, particularly copyright claims. All other rights to the software and documentation (including copies thereof) shall remain with us or the software supplier, as the case may be. Granting of sublicences is not permitted.

Article 11: Remarks on use of data

In the course of contract execution, we shall collect Client data. We shall thereby observe the provisions of the German Federal Data Protection Act ("*Bundesdatenschutzgesetz*") and Telecom Services Data Protection Act ("*Teledienstschutzgesetz*"). We shall only collect, use or process the Client's master & usage data without the Client's permission insofar as required for the proper execution of the contract and for provision and billing of telecom services.

Article 12: Choice of law and place of jurisdiction

(1) The law of the Federal Republic of Germany applies to these Terms of Business and all transactions between us and the Client, to the exclusion of all international and supranational (contract) law, in particular to the exclusion of the United Nations Convention on International Sale of Goods (CISG). The conditions and effects of the retention of title pursuant to Art. 6 shall however be subject to the law prevailing at the place of the goods' storage, insofar as the chosen law is thus impermissible or invalid in favour of German law.

(2) If the Client is either a merchant in the sense of the German Commercial Code, a legal entity at public law, or a special asset entity at public law ("*öffentlich-rechtliches Sondervermögen*"), then the exclusive place of jurisdiction (including international jurisdiction) for all disputes, directly or indirectly arising from the contractual relationship, is the place of our registered office in Offenbach. We are nevertheless entitled to enter court actions in the Client's domicile jurisdiction.