

General Terms and Conditions of Sale

of Schiederwerk GmbH, 90451 Nuremberg

- hereinafter referred to as : Schiederwerk or Supplier - to be used in business relations with companies.

1. General Provisions

1.1 Schiederwerk sells its products in line with the following terms and conditions exclusively. This shall also apply for any and all current and future business relations with the Buyer.

1.2. Any and all of the Buyer's business agreements and business conditions are herewith rejected as being invalid in so far as they diverge from these present sales conditions to the disbenefit or prejudice of Schiederwerk unless their validity will have been expressly accepted and agreed to by Schiederwerk in writing. Any such declared consent to Buyer's conditions or terms shall be valid for a specific individual case only and it shall not apply to any earlier or future deliveries. Our General Terms and Conditions of Sale shall also be valid if Schiederwerk will execute any one delivery to the Buyer in full awareness and knowledge of either Buyer's contrary sales conditions or sales conditions which diverge from our sales Terms and Conditions; the acceptance of the products delivered shall be deemed to be a recognition of our Terms and Conditions of Sale.

1.3 Any and all understandings and agreements which will be made between Schiederwerk and the Buyer in a context with the execution of any one contract or agreement shall be made in writing. This shall also apply for any one waiver of this written form requirement.

1.4. The term of „Claims for damages“ as used in these General Terms and Conditions of Sale shall also include and cover claims for reimbursement of futile expenses.

2. Offer, Documents and Conclusion of Contract

2.1 The offers submitted by Schiederwerk shall be subject to change without notice unless it will have been otherwise agreed upon.

2.2. As far as cost estimates, drawings, blueprints and other documents and data (hereinafter referred to as „documents“ for short) are concerned the Supplier reserves its unrestricted proprietary and Copyright rights and titles of exploitation. No such documents shall be made accessible to or available for any third party or parties unless the Supplier's prior consent has been obtained thereto, and any and all such documents shall be promptly returned to the Supplier upon the Supplier's request. The Buyer's documents and data may be made accessible for such third parties which might make a contribution to the implementation of the delivery of the Supplier's products.

2.3. Orders shall only be binding, if and when Schiederwerk will have confirmed the same in writing or if Schiederwerk will execute any one order by shipment of the products concerned. The extent of the delivery obligations of Schiederwerk, delivery dates and deadlines, as well as the contractually owed nature and quality of the products in type and in quantity shall be defined in and be apparent from the confirmation of the order. Schiederwerk shall be entitled to accept the offer to enter into a contract which is constituted by the Buyer's order, by accepting the same within a term of two weeks after receipt thereof.

3. Delivery, Term of Delivery, Delivery Deadline

3.1. Delivery shall be made ex works Nuremberg, exclusive of packaging.

3.2. Compliance with dates and deadlines for delivery will be subject to the timely receipt of all of the underlying documents and data which are to be provided by the Buyer, all required permits or licenses and releases, more particularly of plans, blueprints, the clarification of technical questions or problems, as well as to compliance with agreed-upon payment conditions and other obligations by the Buyer. In the event where any of these requirements will not be met in time, given dates and deadlines shall be extended appropriately; this shall not apply, if and when the Supplier will be responsible for the delay.

3.3. Partial deliveries shall be permitted unless the Contracting Parties will have otherwise agreed.

3.4. In the event where delivery possibilities depend on supplies being delivered by an upstream supplier and if such delivery fails for reasons for which Schiederwerk is not responsible, Schiederwerk shall be entitled to rescind this contract. In that case the Buyer shall not be entitled to claim damages on account of this reason.

3.5. If any such non-compliance with given dates and deadlines is or will be due to force majeure or act of God, such as, for instance, mobilization, war, riots or other similar events, such as for instance strike, lock-out, Schiederwerk shall be entitled to rescind the contract. The Buyer shall in that case not be entitled to claim damages on account of that reason.

3.6. Both claims for damages by the Buyer on the grounds of delayed delivery and claims for damages instead of performance shall be barred and precluded in all cases of delayed delivery, which shall also apply after the expiration of a deadline which was given to the Supplier for delivery. This shall not apply in so far as mandatory liability shall apply in cases of deliberate intent, of gross negligence or on the grounds of injury or affection of the life, the limb, the body or the health of any one person. The Buyer shall only be entitled to rescind the contract within the framework setting of the statutory provisions, if and when the Supplier is responsible for the delay in delivery. The foregoing provisions shall not give rise to a change or shift of the burden of proof to the Buyer's disbenefit or prejudice.

3.7. The Buyer is and shall be obliged to, upon the Supplier's request, declare within an appropriate period of time whether it will rescind the con-

tract because of delayed delivery, or whether it will insist on the delivery to be made.

3.8. In the event where the shipment or the delivery of the products will, upon the Buyer's request, be delayed or postponed by more than one month after the notice of readiness for shipment was given, the Buyer may be invoiced storage charges in the amount of 0.5 per cent of the price of the objects or products which make up the deliveries concerned for every additional month commenced, at the most, however, a total of 5 per cent. of the said price. The Contracting Parties shall, be and remain at liberty to submit evidence to prove higher or lower storage charges. Liability on the grounds of default in acceptance shall remain unaffected by this provision.

4. Prices, Payment Terms and Conditions and Default in Payment

4.1. Prices are understood ex works Nuremberg, exclusive of packaging. The statutory value-added tax is not included in our prices; the invoice will show it separately with due indication of the respective statutory percentage which is applicable on the date of the invoice.

4.2. Any and all payments shall be made free Supplier's place of payment. In so far as nothing else will be specified in the confirmation of the order, the sales price shall be due for net payment (without any deductions) within 30 days following the date of the invoice. A deduction of discount shall not be permitted unless this was specifically agreed upon in writing. Payment shall be made within this given term and in such a manner and way that the amount which will be required in order to settle the invoice will be at Schiederwerk's disposal at the latest on the due date of payment.

4.3 In the event where the Buyer were to be in default with its payment, Schiederwerk shall, regardless of any farther-going claims, be entitled to claim default interest in the amount of 8% points above the basic rate of interest per annum.

4.4. If the Buyer were to be in default in its payment(s) or if Schiederwerk were to obtain knowledge of circumstances which are or will be suited to considerably diminish or reduce the Buyer's credit-worthiness (more particularly suspension or stoppage of payments, settlement, insolvency) Schiederwerk shall be entitled to retain yet undelivered products or to deliver the same against payment in advance or against the provision of appropriate securities.

4.5. The Buyer shall not be entitled to proceed to any set-offs against any claims unless such claims are either uncontested or their validity will have been stated with legal force and effect.

5. Retention of Title

5.1. The products constituting the objects of any one delivery shall continue to be and remain the Supplier's property up to the time when any and all claims which the Supplier has or will have against the Buyer as a result of the on-going business relationship will have been duly settled.

5.2 As long as such retention of title will continue to be valid it is and shall be forbidden to the Buyer to pledge, to hypothecate or to transfer the title to the ownership of the products concerned as security, and the resale of such products shall be permitted as part of the Buyer's normal business transactions and subject to the condition only that the Buyer will either receive payment from its customer or that it will insist on the reservation that the property thereof will not pass to its customer until and unless the customer will have settled its obligations for payment.

5.3. In case of attachments, seizures, garnishments or other dispositions or interventions by any third party or parties the Buyer shall immediately inform the Supplier accordingly.

5.4. Any processing or incorporation by the Buyer of the products sold subject to retention of title shall at all times be made for and on behalf of Schiederwerk in our quality of manufacturer within the meaning of Section 950 of the German Civil Code. If such products sold subject to retention of title will be processed and incorporated with other objects which do not belong to us, Schiederwerk will obtain co-ownership of the new object at the ratio of the invoiced value of the products so sold subject to retention of title in relation to the invoiced value of such other processed or incorporating products.

5.5. In the case of any neglect of duty on the Buyer's part, more particularly in case of default in payment, the Supplier shall, following the unsuccessful expiration of an appropriate extra time for the Buyer to perform, be entitled not only to take the products back but also to rescind the contract; statutory provisions concerning the dispensability of the setting of a deadline remain unaffected. The Buyer shall be obliged to surrender the products concerned. If and when the products concerned will be taken back and/or the retention of title will be claimed or enforced, or if the products sold subject to retention of title will be attached by the Supplier, then this shall not constitute a rescission of the contract unless the Supplier had expressly and specifically made a declaration to that effect.

6. Passage of Risks

6.1 When deliveries are to be made which shall, as a matter of principle, be shipped by Schiederwerk in line with agreed-upon arrangements, the risk of accidental perishing and of accidental deterioration of the object of such delivery shall pass to the Buyer as soon as the Buyer will have re-

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ceived the notice of readiness of the product(s) concerned for dispatch at the agreed-upon date and time or within the agreed-upon time period, at the latest, however, with the delivery of the product(s) to the carrier company.

6.2 In the case of delivery free Buyer's address the risk shall also pass to the Buyer at the place of performance, that is to say the registered business headquarters of Schiederwerk when the goods to be delivered will be dispatched and shipped by Schiederwerk.

6.3 Upon the Buyer's request the shipments shall be insured against usual transport risks at Buyer's costs.

6.4 In the event where either shipment or the collection of the products concerned will be delayed by the Buyer, or if the Buyer will be in default in taking delivery for any other reasons, the liability shall be covered by the foregoing provisions of 6.1 and 6.2, that is to say that the risk shall pass to the Buyer at the earliest possible time and date.

7. Defects and Deficiencies

The Supplier shall be liable for quality defects and deficiencies or redhibitory defects as follows:

7.1 If there is evidence to prove that any one product delivered is affected by a defect or deficiency, Schiederwerk shall, at its own option be entitled to either remedy such defect or deficiency or to provide for substitute delivery.

7.2 Any and all claims for or rights to remedy of defects or deficiencies either by re-working and repair or by replacement of defective products shall be subject to limitation within a time period of 12 months as from the statutory commencement of the limitation period on; the same shall also apply for rescission and reduction of the purchase price. This time period shall not apply in so far as the law stipulates in line with Sections 438 sub-section 1 No. 2 (buildings or structures and objects for buildings and structures), 479 sub-section 1 (right of recourse) of the German Civil Code that longer time periods must be allowed, and it shall also apply in the case of deliberate intent, fraudulent concealment of a defect or deficiency, and also in the case of non-compliance with a given guarantee for quality.

7.3 Any and all notices given by the Buyer of defects or deficiencies of quality or quantity shall be given in writing.

7.4 If the Buyer will give notice of a defect or deficiency without having a just reason for doing so and if this is done so by the Buyer's fault, the Supplier shall be entitled to demand that expenditures so caused for the Supplier shall be refunded by the Buyer.

7.5. If remedy of defects or deficiencies either by re-working and repair or by replacement of defective products will fail, the Buyer may – regardless of possible claims for damages – rescind the contract or reduce the remuneration to be paid. The duties of inspection and examination and of having to give notice of defects or deficiencies, which apply in commercial and business relations shall remain unaffected.

7.6. There shall be no rights for asserting any claims for defects or deficiencies in case of natural wear or in cases of damage which will occur after the passing of the risk as a result of faulty or negligent handling, excessive load or strain, unsuited operating equipment or means or conditions of use, or cases of damage which will have been caused as a result of particular external influences which are not covered by the contract. If and when either the Buyer or any third party or parties will make improper changes, modifications or repair work, then there will be no right to assert claims for defects or deficiencies for the same and the consequences arising out of this, either.

7.7. Buyer's claims on the grounds of expenses incurred for the purposes of getting remedy of defects or deficiencies by re-working and repair or by replacement of the defective products, more particularly transport, travelling, work and materials costs shall be barred and precluded in so far as such expenses will increase due to the fact that the object of any one delivery will subsequently have been taken and transported to a place other than the place of the Buyer's establishment to which delivery of the products concerned was originally to be made.

7.8. As far as the extent of the Buyer's right of recourse in relation to the Supplier according to Section 478 sub-section 2 of the German Civil Code is concerned, No. 7.7 above shall apply mutatis mutandis.

7.9. The Buyer may not refuse acceptance of shipments on the grounds of minor or insignificant defects or deficiencies.

7.10. Buyer's claims for damages on the grounds of a defect in quality or redhibitory defect shall be barred and precluded. This shall not apply in case of fraudulent concealment of any such defect or deficiency, in case of non-fulfilment of a given quality guarantee, in case of injury to the life, limb, the health or the freedom of any one person and in case of wilfully or grossly negligently committed breach of duty on the Supplier's part. Any farther-going claims of the Buyer or claims other than those provided under this Article 7 and asserted on the grounds of a defect in quality or redhibitory defect shall be barred and precluded.

7.11. The foregoing provisions do not entail any change or shift of the burden of proof which would be to the Buyer's detriment.

8 Industrial Property Rights and Copyright; Defects of Title

8.1. Unless it is or will be otherwise agreed upon the Supplier shall only be obliged to deliver its products in the specific country where the place of delivery is located that these products will be free from and unaffected by industrial property rights and copyrights of any third party or parties (hereinafter referred-to as industrial property rights). In the event where any third party or

parties were to or will assert justified claims against the Buyer on the grounds of any one infringement of any industrial property rights by any of the products which were delivered by the Supplier and which are being used in line with contractual provisions and understandings, the Supplier shall be liable in relation to the Buyer within the time period defined in Article 7.2 hereof as follows:

a) The Supplier shall, at its option and at its costs, either obtain a right of use of the products concerned, modify the same in such a manner and way that the industrial property right concerned will not be infringed upon, or exchange the products delivered. If it will be not be possible for the Supplier to do so under reasonable conditions, the Buyer shall be entitled to have recourse to the statutory rights of rescission or reduction of the purchase price

b) The Supplier's obligation to provide for compensation for damages shall be governed by Article 10 hereof.

c) The Supplier's above-specified obligations shall only be valid and operating in so far as the Buyer will inform the Supplier immediately and in writing of the claims which are so asserted by any third party or parties, as the Buyer will not recognise any infringement and any and all measures of defence and negotiations for arrangements or settlement shall be reserved for the Supplier. In the event where the Buyer will discontinue or stop the use of the product(s) for purposes of mitigation or reduction of damages or for other important reasons, the Buyer shall be obliged to make it known to such third party or parties that the discontinuation or stoppage of such use does not constitute – a recognition of infringement of any industrial property rights or titles.

8.2. Any and all Buyer's claims shall be barred and precluded if and in so far as the Buyer will be responsible for any such infringement of industrial property rights.

8.3. Buyer's claims shall, moreover, also be barred and precluded in so far as any such infringement of industrial property rights is due to or was caused by specific requirements of the Buyer, by an application or use of the product(s), which was not foreseeable by the Supplier, or by the fact that the product(s) delivered were changed or modified by the Buyer or was/were used together or in combination with products which were not furnished by the Supplier.

8.4. In the event where any other defects in title was to apply the provisions of Article 7 hereof shall be governing mutatis mutandis.

9. Use of Sub-Contractors

The Supplier shall be permitted to have recourse to sub-contractors without this requiring the Buyer's consent.

10. Other Claims for Damages

10.1 Any and all other claims for damages by the Buyer, regardless of what the underlying legal grounds therefor may be, more particularly on the grounds of any one non-compliance with any duties arising from the debt obligation, shall be barred and precluded.

10.2. This shall not apply in so far as liability will be obligatory, for example under the provisions of the German Product Liability Act, in cases of deliberate intent, gross negligence, on the grounds of injury or affection of a person's life, limb, or health, or on the grounds of non-compliance with essential contractual obligations. The right to claim damages on the grounds of non-compliance with essential contractual obligations shall, however, be restricted to the damage which is typically foreseeable for this type of contract or agreement, unless it were a case of deliberate intent or gross negligence, or else in cases where liability is applicable on the grounds of a shift of the burden of proof.

11. Place of Jurisdiction and Venue and Applicable Law

11.1. In those cases where the Buyer is a business entity the sole place of jurisdiction and venue for any and all disputes or controversies which ensue either directly or indirectly from the business relationship shall be the place of the Supplier's registered head office. The Supplier shall, however, also be entitled to sue at the place of the Buyer's registered head office.

11.2. The legal relations arising out of or in connection with this Agreement shall exclusively be governed by German material law, with the United Nations Convention on the International Sale of Goods (CISG) being barred and precluded.

12. Binding Force of Agreement

Even in the case of any legal invalidity of any individual specific provision(s) of this Agreement the remaining provisions thereof shall continue to be valid and binding. In so far the Parties hereto agree and oblige themselves to replace any such invalid provisions by a provision which shall be such that it will come as close as possible to the invalid provision(s) both under legal and under economic aspects. This shall not apply if the maintenance of the Agreement would constitute an unacceptable hardship for either Party.

The English-language version of these Terms and Conditions of Sale shall only serve for purposes of reading and understanding convenience. The sole governing version shall in each and every case be the German version thereof.