

§ 1 Application

(1) All deliveries, devices and offers from BRETTHAUER are provided exclusively subject to these terms and conditions. These are an integral component of all contract that BRETTHAUER concludes with its contractual partners (hereinafter „customers“) for offered deliveries and services. These also apply to all future deliveries, services or offers provided to customers, also when this is not separately agreed.

(2) The terms and conditions of the customer or a third party shall not apply also in the event that BRETTHAUER does not exclude these in individual cases. Even if BRETTHAUER refers to a letter that includes the terms and conditions of the customer or a third party or refers to such, this does not represent the acceptance of the applicability of these terms and conditions.

§ 2 Offer and Conclusion of Contract, Amendment of Contract

(1) All offers from BRETTHAUER are nonbinding and subject to change, insofar as these are not expressly stated as binding or include a specific acceptance term. Orders or contract may be accepted by BRETTHAUER within five workdays following receipt. Nonresponse expressly does not represent the acceptance of a contract.

(2) All legal relationships between BRETTHAUER and the customer are exclusively subject to a purchase agreement concluded in writing and its accompanying documents including these terms and conditions of delivery. This shall include all agreements between the contracting parties for the subject of the contract in full. Oral agreements from BRETTHAUER prior to the conclusion of contract are not legally binding and oral agreements between the parties shall be replaced by the written contract insofar as these do not expressly apply as continuing as binding. If a written contract is issued, oral agreements shall not apply in any cases, even if these were concluded prior to conclusion of contract under the terms of paragraph (3).

(3) Additions and amendments to concluded agreements including these general terms and conditions of delivery (additional agreement) are also required to be in writing to be valid. Defects are always to be reported in writing. With the exception of the directors or authorised representatives, BRETTHAUER employees are not entitled to conclude deviating agreements. For compliance with the requirement for a written form, communication via fax is sufficient; otherwise other telecommunication methods, in particular email is not sufficient.

(4) Specifications from BRETTHAUER regarding the characteristic of services or the delivery item (e.g. weight, mass, consumption, durability, tolerance and technical details) as well as the description of these (e.g. drawings and illustrations) are only approximations, insofar as the application requires exact details for the intended contractual purpose. The same applies to offers. These are not a guarantee for the properties of the item, but descriptions or identification of the delivery or service. Deviations customary in the industry and deviations on the grounds of legal regulations or technical improvements or changes to the properties of the material and the replacement of components with equal components are permitted insofar as these do not restrict usability for the contractually intended purpose.

(5) BRETTHAUER retains ownership or copyright to all orders and quotes issued on our part, as well as all drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and aids issued to the customer. The customer may not disclose these or their content to a third party, publish these, exploit or reproduce these personally or through a third party without the express permission of BRETTHAUER. Upon the request of BRETTHAUER these items are to be returned in full and any copies destroyed when these are no longer required in the usual course of business or negotiations do not result in a conclusion of contract.

(6) Insofar as unforeseen events should significantly change the economic importance or the content of the delivery or service or impact the operations of BRETTHAUER, the contract is to be reasonably amended under consideration of the circumstances. If this should cease to be financially accomplishable, BRETTHAUER has the right to withdraw from the contract. In this event BRETTHAUER shall notify the customer immediately under provision of the grounds. This shall also apply when an extension of the delivery term was initially agreed with the customer.

§ 3 Prices and Payment

(1) Prices apply to the scope of delivery and services listed in the order confirmation. Additional or special services are invoiced separately. Prices are in EURO ex works excluding packaging, statutory VAT, for export deliveries duties, fees and other public contributions.

(2) Insofar as the agreed prices are based on the list prices from BRETTHAUER and the delivery occurs more than four months following conclusion of contract, the list prices applicable at the time of delivery shall apply.

(3) Invoiced amounts are to be paid in full within thirty days unless otherwise agreed. The date of payment is the date of receipt of the payment by BRETTHAUER. Cheques first apply as payment following redemption. In the event that the customer should not issue payment within this term, the outstanding amount shall be subject to an interest of 5% p.a. over the basic interest rate from the payment deadline; the right to implement a higher interest and further damages in the event of a delay hereby remains unaffected.

We grant a 2% discount on payments received within 14 days.

Services with hired labour are payable within 14 days net of invoice.

(4) The offsetting with counterclaims on the part of the customer or the retention of payment on the grounds of such claims is only permitted insofar as the counterclaims are undisputed or legally established.

(5) BRETTHAUER is entitled to only provide deliveries or services against an advance payment or security if circumstances become known following the conclusion of contract that serve to lower the creditworthiness of the customer and through which the payment of outstanding receivables from BRETTHAUER on the part of the customer arising from the respective contract relationship (including other individual contracts) is endangered.

(6) Insofar as prices are not expressly agreed, BRETTHAUER shall deliver to the list prices applicable on the date of delivery. The same applies to call orders. If following conclusion of contract cost increases are imposed on factors such as the price of raw materials, energy, wages or freight, BRETTHAUER also has the right by expressly agreed prices to increase the delivery price by a reasonable amount. If the price should increase by more than 1% the customer may withdraw from the contract by way of an immediate written declaration. If only part of the delivery is affected, cancellation is only possible for this part of the delivery.

§ 4 Delivery and Delivery Term, Obstruction of Performance

(1) Deliveries are ex works.

(2) Deadlines and dates for deliveries and services stipulated by BRETTHAUER are always approximations unless a fixed deadline or date is expressly agreed. Insofar as shipping is agreed, the delivery terms and dates are based on the time of handover to the shipping company, hauliers or freight companies or other third parties commissioned with the transport. Risk is transferred upon shipping to the customer. This also applies to free delivery.

Adherence to dates is always subject to the timely receipt of all documents, permits, approvals, clarification and approval of plans, compliance with agreed payment conditions or other duties on the part of the customer. The term shall be extended in all cases by the time the customer is delayed in supplying the aforementioned.

A term is deemed adhered to when the delivery ready for operation is sent or collected within the agreed delivery or service term. If delivery is delayed on grounds for which the customer is responsible, this shall apply as adhered to upon the notification of readiness for delivery within the agreed term.

(3) BRETTHAUER can, without prejudicing its rights on the grounds of a delay on the part of the customer, demand an extension of delivery and service deadlines or a postponement of delivery and service deadlines by the term in which the customer does not fulfil its contractual duties vis-à-vis BRETTHAUER.

(4) BRETTHAUER does not assume liability in the event that delivery is impossible or delayed insofar as this occurs through force majeure or on other grounds unforeseen at the time of contract conclusion (e.g. operating disruptions of all forms, difficulties in acquiring material or power, transport delays, strikes, legal lockouts, lack of workers, power or raw materials, difficulties in acquiring requisite official permits, official measures or failure or delayed delivery on the part of the supplier) that lie outside the influence of BRETTHAUER. Insofar as such events significantly hinder or make deliveries or services impossible to perform on the part of BRETTHAUER and the hindrance is not only for a temporary period, BRETTHAUER has the right to withdraw from the contract. In the event of temporary difficulties the delivery and service deadlines shall be extended or postponed by the same term as the disruption with the addition of a reasonable start-up period. Insofar as the customer's acceptance of the delivery or service is as a result of the delay not reasonable this may withdraw from the contract through an immediate written notification to BRETTHAUER.

(5) BRETTHAUER is entitled to render partial deliveries if

- the partial delivery is usable to the customer in the scope of the contractually intended purpose and
- delivery of the remaining order is ensured.

(6) In the event that BRETTHAUER is delayed in performing a delivery or service, the liability of BRETTHAUER to issue damages is limited to the provisions of § 8 of these general terms and conditions of delivery.

(7) If shipping or delivery is delayed upon the request of the customer, BRETTHAUER may demand a storage fee of 0.5% of the invoice amount following one month of the notification of pending delivery for each month commenced of the delay on the part of the customer. The storage fee is limited to a total of 5% of the invoiced amount unless BRETTHAUER can provide evidence of higher costs.

(8) BRETTHAUER are permitted to render surplus or short deliveries of up to 10% by simple articles from standard materials and 10% of articles that are made up of several components of such that are composed of special materials.

(9) If BRETTHAUER cannot fulfil the obligatory delivery duty to deliver or render a service, general legal principles shall apply in accordance with the following measure:

If the nonfulfillment is on the grounds of circumstance for which BRETTHAUER is responsible, the claim to compensation on the part of the customer is governed in accordance with § 8 (3).

§ 5 Place of Performance, Shipping, Packaging, Transfer of Risk, Acceptance

(1) Place of performance for all duties arising from the contractual relationship is Dillenburg, unless otherwise stipulated.

(2) The form of delivery and packaging is at the discretion of BRETTHAUER.

(3) Risk shall be transferred to the customer upon the surrendering of the delivery item (whereby the beginning of the loading procedure is the determining time) to the transport company, freight company to other third parties commissioned with performing the delivery at the latest. This shall also apply in the event of partial deliveries or BRETTHAUER has assumed further services (e.g. delivery or installation). In the event that delivery or handover is delayed due to circumstances for which the customer is responsible, risk shall be transferred on the date on which the item is ready for delivery and BRETTHAUER has notified the customer of this.

For tools, risk is transferred when the tools has been sent for delivery upon the instructions of the customer. Otherwise the above shall apply.

(4) Storage fees following the transfer of risk shall be assumed by the customer. The provision under § 4 para. 7 shall apply correspondingly.

(5) The delivery of the items shall only be insured by BRETTHAUER upon the express wish of the customer and at his expense against theft, breakage, transport, fire and water damage or other insurable risks.

(6) If delivery, shipping or the beginning of this or the performance of assembly or installation is delayed at the wish of the orderer or on grounds for which he is responsible risk shall be transferred

Terms and Conditions of Delivery

Reinhard Bretthauer GmbH

for the term of the delay to the customer; upon the request and cost of the customer BRETTHAUER shall effect the extension of any requested insurance.

§ 6 Tools

In the event of tool orders the title to these shall under the terms of these terms and conditions shall be transferred to the customer upon payment in full.

The provisions under § 9 shall apply correspondingly.

§ 7 Warranty, Material Defects

(1) The warranty term is one year from delivery or, insofar as a final inspection is required, from acceptance.

(2) The delivered items are to be diligently inspected following delivery by the customer or a third party commissioned for this purpose. § 377 German Commercial Code shall expressly apply. Goods apply as approved when BRETTHAUER does not receive a written defect complaint within seven workdays of delivery by the discovery of an obvious defect or other defects that would be recognisable through an immediate, diligent examination or within seven work days following delivery and the discovery of the defect or any earlier time in which the defect would be recognised by the customer in the scope of use of the delivered item without closer examination. Upon the request of BRETTHAUER the disputed delivered item is to be returned carriage paid to BRETTHAUER. In the event of a justified complaint, BRETTHAUER shall pay the costs for the delivery mode with the lowest cost; this shall not apply in the event that costs are increased due to the delivered item being located at a location other than that stipulated.

(3) The assertion of defects that first appear following the twelve month term is excluded (expired). An agreement regarding a longer term is solely applicable in writing.

(4) In the event of material defects to the delivered goods, BRETTHAUER is at its discretion within a reasonable term initially obliged and entitled to render repairs or a replacement delivery. In the event that improvement or replacement delivery should be unsuccessful, i.e. impossible, unreasonable, rejection or unreasonably delayed, the customer is entitled to withdraw from the contract or reasonably reduce the purchase price.

Liability for defects is excluded in the event of customary wear or damage occurring after the transfer of risk as a result of improper or negligent use or treatment, excessive use, unsuitable equipment, defective construction work, unsuitable foundations and such influences that were unforeseeable upon conclusion of contract (chemical, electromechanical, electric influences or similar).

Equally, claims to defects are excluded in the event of improper use or modifications to the contract item on the part of customers or third parties.

(5) In the event of justified complaints on the part of the customer this is nevertheless obligated to fulfil his contractual obligations. Payment may only be withheld in the event of a defect acknowledged by BRETTHAUER in a reasonable relationship to the value of the defective delivered item. Addition retention is invalid.

(6) In the event that a defect is on grounds for which BRETTHAUER is liable, the customer may only assert claims to compensation under the special circumstances stipulated in § 8.

(7) In the event that components from other manufacturers are defective that BRETTHAUER cannot rectify on the grounds of licencing rights or factual grounds BRETTHAUER shall at its discretion assert its warranty rights against the manufacturer and suppliers on behalf of the customer or shall transfer these to him. Warranty claims against BRETTHAUER for this type of defect shall only apply under the other conditions and in accordance with these terms and conditions if the legal assertion of the aforementioned claims against the manufacturer and supplier are unsuccessful or will fail on the grounds of e.g. insolvency. For the duration of the legal dispute the expiry of the warranty term for claims affected on the part of the customer against BRETTHAUER is suspended.

(8) Warranty shall become invalid in the event that the customer modifies or commissions a third party to modify the delivered item without the permission of BRETTHAUER and rectification of defects is made impossible or unreasonable on these grounds. In this case the customer shall assume the additional costs for rectification arising through such modification.

(9) The delivery of used items agreed in individual cases with customers shall be subject to the exclusion of any warranty for material defects.

(10) The customer shall assume liability that the drawings, samples, models and similar with which he provides us have been inspected for accuracy and that measurements are correct. BRETTHAUER has not obligation to inspect these in this respect. Claims to defects that arise through incorrect documents are fully excluded.

Equally the customer shall assume liability that drawings, samples, models, aids and equipment and all documents provided to BRETTHAUER by the customer are used legally and are allowed to be analysed. He shall assume the guarantee that no conflicting protected rights (trademarks, copyrights, utility patents or patents) exist. In the event that such rights exist and BRETTHAUER is claimed against by the holder of the rights, the customer is liable for all costs (court, lawyer, patent lawyer and similar), all damages that BRETTHAUER is obliged to issue and is obligated to release BRETTHAUER from all claims to which BRETTHAUER is subjected on the grounds of an infringement in the aforementioned regard.

The burden of proof that no infringement occurred is the duty of the customer.

§ 8 Liability to Damages, Damage through Delay

(1) BRETTHAUER's liability to provide damages, irrespective of the grounds, in particular obstruction, delay, defective or wrong delivery, breach of contract, breach of duties arising during contract negotiation and inadmissible actions is restricted in accordance with the provisions of §8 in the event of culpability.

(2) BRETTHAUER is not liable in the event of soft negligence on the part of its organs, legal representatives, employees or other vicarious agents, insofar as this does not concern the breach of cardinal duties. Essential to the contract are the obligation to timely delivery and installation of the delivered item free of significant defects as well as consulting and protective measures as well as duties of care that the customer should enable the contractual use of the delivered item or ensure the protection of life and health of the customer's employees or the protection of his property or from significant damage. The scope of liability is limited in all cases of a breach of an essential contract duty under the terms of this paragraph (2) in accordance with paragraph (4).

(3) Insofar as BRETTHAUER is liable under the terms of § 8 (2) on the grounds of gross negligence or intention, or is liable for the breach of material contract duties in the event of gross negligence or intention or is liable for the soft negligent breach of such, this liability is limited to the damage that BRETTHAUER foresaw as a possible result of a breach of contract or that BRETTHAUER would have foreseen upon application of customary diligence upon conclusion of contract. The amount of compensation is limited in accordance with paragraph (4). Liability for indirect damage and/or consequential damage that occur as a result of defects to the delivered item or through delay is fundamentally excluded. Equally, liability for damage that does not directly occur to the delivered item or liability for loss of profit is excluded. In the event of impossibility under the terms of § 4 para. (9) this exclusion of liability shall apply correspondingly. Otherwise BRETTHAUER is only liable to the amount of 10% of the value of the affected part or the delivery or service that cannot be used for the intended purpose on the grounds of the hindrance.

(4) In the event of a liability under the terms of paragraph (3) the duty of BRETTHAUER to issue compensation for property damage and economic loss is limited to the insurance coverage of the financial loss insurance, also where this concerns a breach of cardinal duties.

The cover amounts are

- 100,000.00 € for economic loss

- 3 million € for property damage.

Liability is expressly excluded for greater damage.

(5) In the event of delay (§ 4 para. (6)) the customer, insofar as he proves damage, compensation for delay can only be asserted for a maximum of 10 weeks' delay; compensation for delays is limited to a maximum of 0.5 % of the value of the part of the delivery or service affected, which due to the non-timely completion of individual items that are part of the delivery or service cannot be put to the use intended. The requirement for this that the customer has granted BRETTHAUER a reasonable subsequent delivery deadline of at least four weeks and that this has expired unsuccessfully. Liability for indirect damage and/or consequential damage is also excluded in the event of a delay. Pure economic loss is equally excluded.

Greater or further claims on the grounds of a delay other than those provided in paragraph (5) of § 8 are excluded in all cases.

(6) The aforementioned exclusions and limitations of liability apply to the same scope for divisions, legal representatives, employees and other vicarious agents of BRETTHAUER.

(7) Insofar as BRETTHAUER provides technical information or acts a consultant and this information or advice are not within the scope of the owed contractually agreed services, this occurs at no charge and upon the exclusion of all liability.

(8) The regulations under this § 8 correspondingly apply to a breach of additional contractual duties.

BRETTHAUER's liability arising from a positive breach of duty or upon contract conclusion is hereby excluded.

(9) The limitation of liability under the terms of this § 8 do not apply to liability for intentional actions, guaranteed product characteristics, death, personal injury or endangerment to health or under the terms of the German Product Liability Act.

§ 9 Retention of Title

(1) Goods supplied by BRETTHAUER to the customer shall remain the property of BRETTHAUER until full payment of accounts receivable. Goods and items that represent these in accordance with this clause subject to retention of title are hereinafter referred to as reserved goods.

(2) The customer stores the reserved goods for BRETTHAUER without charge.

(3) The customer has the right to process and sell the reserved goods until the event of enforcement in the course of his customary business.

Pledging and transfer as security is not permitted.

(4) In the event that the reserved goods are processed by the customer it is agreed that the processing is on behalf and at the benefit of BRETTHAUER as manufacturer and directly owns or in the event of processing with the items of several manufacturers, or the value of the processed goods is higher than the value of the reserved goods acquires co-ownership to the newly produced item. In the event that no such acquisition of ownership shall occur on the part of the customer, the customer hereby now transfers his future ownership or the aforementioned co-ownership in the newly created item as security to BRETTHAUER. If the reserved good is attached or inseparably combined with other objects to a unified item and one of the other objects is to be considered the principle item, the agent shall transfer, insofar as he is the owner of the main item, co-ownership of the unified object to the customer to the proportion stipulated in sentence 1 above.

(5) The customer hereby assigns all claims receivable and all additional claims arising from the resale of the reserved good and also where the good has been processed to BRETTHAUER arising from this business relationship, including all transactions irrespective of whether these are in the scope of an account current or not. BRETTHAUER hereby already accepts this assignment. The same applies to other claims that replace the reserved good or otherwise arise through the reserved good e.g. insurance claims or claims arising from unauthorised handling upon loss or destruction. The customer has the right until revocation to collect the transferred claim. Incoming amounts shall initially be managed on a trustee basis for BRETTHAUER, may however be used in the scope of customary business and until revocation for operational purposes of the customer. Upon demand and in all cases upon the revocation of this authorisation the third party debtor is to be named to BRETTHAUER. Without agreement all assignment, pledging or transfer as security of the claim

Terms and Conditions of Delivery

Reinhard Bretthauer GmbH

assigned to BRETTHAUER prohibited. In the event of factoring, a corresponding release authorisation is to be obtained from BRETTHAUER which shall decide in each individual case.

(6) In the event that a third party should seize the reserved goods, particularly through enforcement, the customer shall immediately inform these of BRETTHAUER's ownership and inform BRETTHAUER of this event, in order to allow BRETTHAUER to assert its ownership rights. Insofar as the third party is not in a position to reimburse BRETTHAUER for judicial or extrajudicial costs incurred in this conjunction the customer shall be liable.

(7) BRETTHAUER shall release the reserved goods or securities upon request at its discretion, insofar as their value exceeds the value of the secured claims by over 25%.

(8) In the event that BRETTHAUER should withdraw from the contract on the grounds of a breach of contract on the part of the customer, in particular upon delayed payment, BRETTHAUER has the right to demand the surrender of the reserved good.

§ 10 Final Provisions

(1) The legal venue for all disputes arising from this business relationship between BRETTHAUER and the customer is at the choice of BRETTHAUER Dillenburg or the domicile of the customer. For claims against BRETTHAUER Dillenburg is the exclusive legal venue. This shall not prejudice mandatory legal provisions on exclusive legal venues.

(2) Relations between BRETTHAUER and the customer are exclusively subject to Federal German law. The UN Convention on the Sale of International Goods of 11 April 1980 (CISG) shall not apply.

(3) Insofar as the contract or these general terms and conditions of delivery should contain a loophole valid provisions that apply to fill these loopholes shall apply as agreed that the parties would have agreed on the basis of the financial objective of the contract and the purpose of these general terms and conditions of delivery, if they had been aware of this loophole.

Notice:

The customer acknowledges that BRETTHAUER stores data arising from the contract relationship in accordance with Sect. 28 Federal Data Protection Act for the purpose of data processing and reserves the right to communicate these data to a third party (e.g. insurance company) insofar as these data are required to fulfil the contract.