

I. General

In the absence of anything to the contrary agreed in writing, the following terms and conditions apply to all goods and services which we supply. All terms and conditions on the part of the customer at variance to these shall be deemed void notwithstanding the fact that we do not expressly reject them. These terms and conditions shall apply to all individual contracts entered into.

Amendments to these terms and conditions shall be notified to the customer at least one month before the amendments are deemed to enter into force. The amendments shall be deemed to be approved by the customer unless he rejects them before the amendments enter into force.

We shall inform the customer about the de facto acceptance in our notice. If it is not reasonable for us to perform existing individual contracts after the customer rejects the amended terms and conditions within the requisite period, we shall have the right to terminate them with immediate effect.

If any part of the following terms and conditions are legally void, this shall have no effect on the validity of the remaining provisions. If a void term or condition cannot be replaced by the operation of dispositive law, the Parties undertake to replace it by one which comes legally as close as possible to their mutual interests as reflected in these terms and conditions.

Our offers shall be without engagement. We shall not be bound by orders until we confirm them in writing or fulfill them by sending the goods ordered. These terms and conditions constitute the entire understanding between the Parties. Any amendments or additions to these terms and conditions shall require our written approval unless such amendments or additions are implemented by one of our statutory representatives.

II. Delivery

The goods shall be delivered on the dates agreed subject to timely receipt of the full order documents and clarification of all business and technical questions including those arising during the performance of the order. We shall not be bound by any deadlines or dates in the event of any unforeseen occurrences arising during production or other obstacles not attributable to us including but not limited to force majeure, strike, transportation delays and disruptions at our plant or on the part of our suppliers. We shall be bound by deadlines and dates given if we are able to perform our contractual duties with the normal degree of care notwithstanding the above mentioned occurrences.

In the event of any instances of force majeure defined as any circumstances or occurrences which cannot be prevented despite the application of all reasonable care, the Parties shall be relieved of their contractual duties for the duration of such disruption to the extent that the performance of their contractual duties is impaired. If this results in delays exceeding a duration of six weeks, either Party may rescind the contract with respect to the duties affected by such delay. No other remedies shall be available. If the Parties fail to reach any agreement on the postponement of delivery, we shall be entitled to rescind the contract after a reasonable deadline for performance has been set provided that the delay is not attributable to us.

Our duty of delivery shall be suspended for as long as the customer is in default with respect to any of its obligations. Drawings, illustrations, measurements, weights and details of performance shall be approximate only unless we expressly agree to be bound by them. Moreover, they shall only be deemed to constitute a warranty if they are expressly designated as such. All documents made available to the customer including but not limited to offers, sketches and drafts shall remain our property and may not be copied, distributed or disclosed or made available to third parties – particularly our competitors – without our prior approval. At our request, they shall be returned if no order is placed. We reserve the right to seek all remedies available to us in the event of unlawful use and/or disclosure to third parties.

Deliveries shall be made EX WORKS Lise-Meitner-Allee 20, 25436 Tornesch, Germany according to ICC INCOTERMS 2010.

III. Prices

Our prices are quoted ex works excluding packaging and assembly or as stated in our offer. In the event of any changes in wage or material costs, we reserve the right to adjust our prices accordingly. However, there shall be no such adjustment in the first two months after the contract is entered into. This clause shall not apply to fixed price agreements unless com-

pliance with the fixed price requires expense which in the light of the nature of the contractual relationship and allowing for good faith is not proportionate to the customer's interest in receiving the goods or services. We reserve the right to charge the customer separately for any additional goods or services which it requests after the order has been placed. All prices quoted excluding value added tax.

IV. Payment

Our invoices are due 30 days after the date of invoice and receipt of the goods and are payable strictly net. The customer shall be deemed to be in default without any further notification if payment is not rendered within this period of 30 days. We shall charge a penalty of 9 percentage points above the prevailing base interest rate for the duration of such default. This shall not operate to exclude any further remedies which may be available to us. Notwithstanding any other rights which we may have, we may request collateral or advance payment for outstanding deliveries or insist on immediate payment of all outstanding claims in connection with the business relationship in the event of default or failure to pay the invoice within the requisite period as well as in the event of justified doubts as to the customer's solvency or ability to pay. Such doubts as to the customer's solvency shall particularly be deemed to apply if debit notes are returned or cheques or bills are not honored. The customer may only net undisputed counterclaims or those which have been upheld by a court of law. Payment by bill of exchange shall require our approval, which shall be granted subject to the customer bearing all costs and fees and assuming the risk of timely presentation and protesting.

V. Liability for nonconforming goods, material defects and services

All information regarding suitability, machining and processing and application of our products, technical advice and other information do not constitute guarantees. They do not release the customer in particular from the obligation of making their own assessment and carrying out their own trials. The customer's rights arising from defects assume that they have conducted their due assessment and complied with requirement to give notice of defects in accordance with § 377 HGB. Any defects must be reported to us in writing.

Our liability for defects relates to a workshop compatible-execution and use of flawless materials. If a defect is found, we reserve the right to cure the defect by rectification or by delivering a new, defect-free product. If rectification is unsuccessful, the customer has the right to withdraw from the contract or to reduce payment. Withdrawal from the contract is excluded, if the defect is insignificant. Defect claims cannot be made by the customer particularly in the following cases: natural wear, inappropriate or improper use, faulty or negligent handling, excessive operational demands, use of unsuitable operating materials, deficient construction work, unsuitable building ground, faulty installation or commissioning, incorrect maintenance, peculiar external influences, that are not covered by the contract. Guarantee claims will not be accepted for damages resulting from non-observance of the operating instructions. If inappropriate modifications are made or maintenance work is carried out by the customer or third parties, the right to claim for these and any resultant damage will also be rendered null and void. Defective products must not be returned without our express permission.

As far as legally possible, claims on account of nonconforming goods shall be barred at the expiry of 12 months upon delivery of the goods. All other claims shall be barred in accordance with statutory provisions.

VI. Compensation and limitation of liability

Claims of the customer for damages and reimbursement of frustrated expenses against us, the bodies of our company, our legal representatives and our servants (Erfüllungs- und Verrichtungsgehilfen), on any legal basis whatsoever, in particular, due to the violation of contracts and/or tort, shall be excluded. This shall not apply, in cases of intent or gross negligence and/or with regard to the violation of material contract obligations (wesentliche Vertragspflichten). Material contract obligations are obligations that protect the legal positions of the customer which are material to the contract and which have to be granted to the customer under the contract in terms of subject matter and purpose; material contractual obligations are also obligations whose fulfillment makes the due fulfillment of the contract possible in the first place, where the customer regularly relies on and may rely on compliance with such obligations. In case of unintentional violation of contractual

obligations, including material obligations, our liability shall be limited to the compensation of the typically foreseeable damage. The aforementioned limitations of liability shall not apply to the extent we are mandatorily liable, e.g. for damages arising from death personal injury or health.

VII. Retained ownership rights

The goods and services supplied shall remain our property pending full payment of all receivables arising under the business relations. However, the customer is authorized to resell the goods as part of its ordinary business activities. We may revoke this authorization in the event of any reasonable doubts concerning the customer's solvency.

The retained ownership rights shall also include any products derived from blending, combining or consolidating our goods at their full value, in which case we shall be deemed to be the producer. If as a result of the blending, combination or consolidation of our goods with those of a third party such third party also holds retained ownership rights, we shall acquire co-ownership rights commensurate with the invoice value of our goods relative to the invoice value of the resultant products. The customer hereby assigns to us as security all receivables held against third parties arising from the resale of the goods and services supplied by us either in their entirety or, as the case may be, in an amount equaling our co-ownership share (see Para. 2 above). The customer may collect the amounts due on our behalf pending revocation of such authorization or suspension of his payment to us. The customer may not assign such receivables including as part of factoring obligations unless the factor is simultaneously held directly liable to us for the amount of our share of the receivable for as long as we hold any receivables against the customer. The customer shall notify us immediately by registered mail of any third-party intervention in goods and services owned by us or receivables payable to us. The goods and services as well as the corresponding receivables may not be pledged to third parties or used or assigned as collateral prior to full settlement of our receivables. If the value of the collateral our receivables by more than 20%, we shall on request release collateral of our choice to the customer.

VIII. Industrial and copyrights, legal deficiencies

In the absence of any agreement to the contrary, we warrant that deliveries are effected free of all third-party industrial or copyrights (hereinafter referred to as "intellectual property rights") only in the country of delivery, i.e. Germany. If a third party asserts any justified claims against the customer on account of the breach of any intellectual property rights as a result of any deliveries effected by us and used in accordance with the terms of the contract, we shall hold the customer harmless against such claims prior to the time bar taking effect as follows:

At our discretion, we shall either secure the appropriate rights at our expense or modify or replace the goods such that the ownership rights are no longer breached. If this cannot be reasonably achieved, the customers shall be entitled to exercise the statutory right of termination or claim a reduction in the amount payable. Our duties to provide compensation shall be governed solely by Section VII herein.

IX. Place of fulfillment, legal venue and applicable law

The place of fulfillment shall be the place at which the goods are dispatched for deliveries and 25436 Tornesch for payment. All present and future disputes arising from the business relationship including claims relating to the presentation of bills and cheques shall be referred solely to the relevant courts of law of the city of Hamburg.

This agreement shall be subject to German law; the UN convention on contracts for the international sale of goods shall be excluded.