

General Terms and Conditions of Business

I. General Provision

1.

These General Terms and Conditions of Delivery and Payment alone shall apply for all our goods and / or services (hereinafter known as "goods"). A Buyer's terms and conditions of business which are contrary to these General Terms and Conditions of Delivery and Payment in that they either differ from them or have additional provisions, shall not become an integral part of the contract even if we are aware of them unless we have specifically agreed to them in writing. This shall also apply in those cases in which, aware that the Buyer's terms and conditions are contrary to these General Terms and Conditions of Delivery and Payment in that they either differ from them or have additional provisions, we carry out deliveries to the Buyer without reservation. We hereby expressly reject the terms and conditions of purchase or order of the Parties with which we do business and we also do so in advance for all future transactions.

2.

These General Terms and Conditions of Delivery and Payment shall apply for all current and future business relationships. The latest General Terms and Conditions of Delivery and Payment shall apply.

II. Formation of a contract

1.

A contract shall materialize when our order confirmation is sent in writing or text or electronically. 2.

If we do not send out an order confirmation a contract shall materialize at the latest when the Buyer receives notification that the goods are ready for collection / dispatch, and if we do not send this out a contract shall materialize when the goods are dispatched.

III. Prices, Terms and Conditions of Payment

1.

Prices shall apply ex Works, and invoices shall only be raised in Euros. Prices exclude packing, freight, customs duties, fees incurred in particular for letters of credit, and other ancillary services which shall be invoiced separately. The rate of value added tax in force on the date on which an invoice is raised shall be charged.

2.

Payment is to be made as follows: 40% down-payment following receipt of order confirmation, 50% as soon as the Buyer has been notified that the main part of the order is ready for dispatch, the rest within one month of transfer of risk.

3.

All payments are to be paid in full and without any deductions whatsoever within 30 days from the date of invoice.

4.

The Buyer shall only be entitled to exercise a right to withhold payments and to offset them with counter-claims to the extent that his claims are not disputed are recognized by us or if they have been declared final and absolute in a court of law. Additionally, the Buyer is only authorized to exercise a right of retention to the extent that his counter-claim is based upon the same contractual relationship.

IV. Delivery period

1.

All technical queries must be clarified before the delivery period stated by us commence. To satisfy this requirement the information to be furnished by the Buyer must have been received and the down payment in accordance III. (2) must have been received. The delivery periods shall be extended as appropriate if the Buyer does not fulfill the duties incumbent upon him or does not fulfill them on time; this shall not apply if we are responsible for a delay.

2.

The Buyer may withdraw from the contract if we are in default with our main fulfillment obligations. The Buyer shall not be entitled to a right to compensation for damages unless such a claim is attributable to an intentional or grossly negligence breach of duty on our part or if a claim is based upon loss of life, personal injury and physical harm.

If failure on our part to comply with a delivery period is attributable to force majeure, labor disputes, or other events beyond our control, the delivery period shall be extended as appropriate. We shall notify the Buyer when such circumstances begin and end as soon as possible. **V.**

Transfer of risk

1.

The risk of accidental loss shall transfer to the Buyer as soon as the goods leave our works. If collection / dispatch is delayed as a result of the Buyer being to blame, risk shall transfer to the Buyer on the same day that he is notified that the goods are ready for collection / dispatch.

2.

Partial deliveries are allowed. Risk for part deliveries shall transfer to the Buyer as in Paragraph 1 above. 3.
At the Buyer's request we shall insure the goods at his expense against damage in transit.

VI. Reservation of title

1.

We shall retain title to the goods until we have received all payments due under this contract. 2.

The goods may only be sold on by the Buyer in a proper commercial transaction. In the event that our goods are sold on by the Buyer, he shall assign the account for the purchase price payable by his customer as a result of the sale to his customer to us for our accounts created by this contract.

3.

The assertion of reservation of title shall not constitute withdrawal from the contract.

VII. Timeliness of notice of defects

1.

The Buyer must comply with his obligations to inspect the goods and notify defects in accordance with Section 377 of the German Commercial Code [HGB] before asserting a claim under warranty. If the Buyer is not a registered trader, we are to be notified in writing of manifest defects within a period of 2 weeks from receipt of the goods, otherwise claims under warranty shall be rendered invalid.

VIII. The Buyer's rights in the event of defects

1.

If there are quality defects the Buyer shall be entitled to statutory claims under warranty in accordance with Section 437 of the German Civil Code [BGB] and, as far as applicable, in accordance with Section 634 of the German Civil Code [BGB], subject however to the proviso that compensation for damages may only be demanded in the event that we, that is a legal representative or assistants are accused of intent or gross negligence.

2.

If in the course of subsequent fulfillment parts are replaced, we shall acquire title to the replaced parts. 3.

If, after a Buyer has notified us of defects, it subsequently turns out that there was not a defect, we are consequently to be reimbursed by the Buyer for the costs we have incurred.

IX. Period of limitation for claims under warranty

1.

Claims under warranty, in particular those claimed in accordance with Section 437 of the German Civil Code [BGB] and Section 634 of the German Civil Code [BGB] shall lapse after 12 months, provided that the Buyer is a businessman or registered trader.

X. Place of fulfillment, Place of jurisdiction and applicable law

1.

If the Buyer is a registered trader, the general place of jurisdiction shall be the courts in Plüderhausen where we have our company headquarters, for all disputes arising directly or indirectly in connection with the contractual relationship. We are however entitled to take legal action against the Buyer at the courts where he has his principal place of business.

2.

Only German law shall apply with the exception of the Convention of the United Nations on the International Sale of Goods (CISG).

3.

The contract shall continue to be binding even if individual provisions are legally invalid. This shall not apply if adherence to the contract would constitute unreasonable hardship for a Party.

Status April 2010