

Our deliveries and other services to companies, legal entities under public law and special assets under public law are subject exclusively to the following terms and conditions.

I. Conclusion of contract/text form

- 1. The delivery contract as well as any changes, side agreements or other agreements only come into force once we have confirmed them. The delivery contract as well as any changes, side agreements, declarations regarding the end of the contract and any other declarations or notifications must be in text form unless otherwise stipulated in these conditions.
- 2. Upon receipt of our confirmation and/or acceptance of the ordered goods or services, the customer accepts our terms and conditions of sale and delivery. Any deviating general terms and conditions on the part of the ordering party do not bind us. They shall not become part of the contract either by acceptance of the order or by any other implied act.

II. Prices/handling surcharges

- 1. The prices and discounts valid on the day of delivery or performance shall apply, with the addition of the legally owed value-added tax.
- 2. We may charge a processing surcharge for order quantities that do not reach the minimum quantities and/or the minimum order value specified in the applicable price list.

III. Delivery periods/delay/call-off orders/partial deliveries

- 1. Delivery periods are calculated starting from the order confirmation, but at the earliest from the final agreement on the questions to be clarified with the customer before the start of production.
- 2. Unforeseen, unavoidable events during production and other obstacles such as force majeure, industrial disputes or other disruptions in our own operations or in the operations of our suppliers as well as delayed deliveries by our suppliers shall entitle us to extend the delivery period by the duration of the impediment. We will inform the ordering party of the start and finish of any such circumstances as soon as possible.
- 3. Insofar as we are in default and the ordering party suffers damage as a result, the ordering party may claim compensation for the delay. This shall amount to 0.5% for each full week of the delay, but in total no more than 5% of the value of that part of the total delivery that cannot be used on time or in accordance with the contract as a result of the delay. Other claims due to delay are governed exclusively by VII, clauses 2 and 3. The ordering party may only withdraw from the contract within the framework of the statutory provisions insofar as we are responsible for the delay in delivery.
- 4. Insofar as it has been agreed with the ordering party that a firmly agreed delivery quantity is to be delivered within a fixed period of time ("completion period") and the ordering party is entitled to determine the delivery date in each case, the deliveries are to be called off from us at the latest twelve weeks before the desired delivery date. After the completion period has elapsed, we can deliver the quantity not yet called off to the ordering party and invoice accordingly.
- 5. Partial deliveries are permissible insofar as this is not unreasonable for the ordering party.

Dated: 03/2008 Page 1 von 4



IV. Packaging/dispatch/transfer of risk

- 1. Dispatch shall be ex works (currently applicable version of Incoterms) from the place named by us; the choice of packaging material and type of packaging shall be at our discretion.
- 2. Pallets, containers and other reusable packaging shall remain our property and shall be returned by the customer to our dispatch point without delay and free of charge. Disposable packaging shall be invoiced at cost and shall not be taken back.
- 3. Express freight charges and postal charges for small goods consignments shall be paid by the ordering party.

V. Payments

- 1. Payments are to be made within 30 days of the invoice date, without deduction, to one of our accounts. We grant a 2% discount for payment within 14 days of the invoice date, provided that the customer is not in arrears with the payment of other accounts.
- 2. Once the agreed payment deadline has elapsed, the ordering party shall be in default, unless payment is not made due to a circumstance for which the ordering party is not responsible.
- 3. The withholding of payments on the basis of counterclaims or the offsetting of counterclaims is not permissible unless the counterclaims are undisputed, legally binding or ready for a decision.

VI. Retention of title

- 1. We retain the ownership of all goods we deliver until all claims arising from the business relationship with the ordering party have been settled (the goods are referred to as 'reserved goods'). In the case of outstanding invoices, the reserved property shall also be deemed to be security for the claim on the balance.
- 2. If the reserved goods become part of a new item belonging to the ordering party as a result of combination, it shall be deemed agreed that the ordering party transfers co-ownership of the new item to us and keeps it for us free of charge. Our ownership share shall be determined by the ratio of the value of the reserved goods to the value of the new item.
- 3. The ordering party hereby assigns to us all claims arising from the resale of reserved goods against his/her customers. If the reserved goods are resold together with other goods that do not belong to us, the customer shall assign to us that part of the claim arising from the resale that corresponds to the invoice amount of the reserved goods. If reserved goods that only belong to us on a pro rata basis are resold, the part of the claim arising from the resale that is assigned to us shall correspond to our share of ownership.
- 4. The ordering party remains authorised until revocation to collect the claims from the resale. Upon request, the ordering party shall notify his/her customers of the assignment and provide us with all information and documents that we require to enforce our rights.
- 5. We undertake to release the securities to which we are entitled insofar as their value exceeds the claims to be secured by more than 10%.
- 6. If the reserved goods are seized or if our rights are impaired in any other way by third parties, the ordering party must notify us immediately.

Dated: 03/2008 Page 2 of 4



7. We reserve the right to make provisions for a reservation within the meaning of this VI 1-6 if mandatory legal provisions of the country in question do not provide for such a reservation but do allow for other rights to secure claims arising from a supplier's invoices. The ordering party is required to assist with measures that we are entitled to in order to protect our right of ownership or any other right replacing it in respect of the reserved goods.

VII. Breaches of duty

- 1. The legal rights of the purchaser according to Section 437, no. 1 of the German Civil Code (BGB) shall apply in accordance with the following provisions:
- a) If delivered items are partially or entirely unusable due to defects, we shall, at our discretion, remedy the defects free of charge or deliver defect-free items free of charge (together hereinafter referred to as "supplementary remedy"). In addition, we shall bear the direct costs of dismantling and installation incurred by the ordering party. There is no such obligation to bear the costs of direct dismantling and installation if these are incurred abroad, nor is there any obligation if the ratio of costs to the delivery price of the defective items is not reasonable. Furthermore, the ordering party bears the costs.

We are not liable for damage due to natural wear and tear in line with the duration of use.

- b) The customer shall give us reasonable time and opportunity to carry out the supplementary remedy that we, in our reasonable discretion, deem necessary. Only in urgent cases of danger to operational reliability or to avert disproportionately large damage, or if we are in default with the rectification of defects, shall the customer have the right to carry out the rectification himself/herself or to have it carried out by third parties and to demand reimbursement of the necessary costs from us. In a case like this, we are to be notified immediately.
- 2. The ordering party's other legal rights shall apply in accordance with the following provisions: We are liable only in the following cases:
- (1) Wilful breach of duty
- (2) Grossly negligent breach of duty by our legal representatives and vicarious agents
- (3) Culpable injury to life, body and health
- (4) Malicious non-disclosure of defects or guarantee for the quality of a delivery item
- (5) Culpable breach of essential contractual obligations in the case of gross negligence of non-executive employees and, in the case of slight negligence, limited however to the reasonably foreseeable damage typical for the contract.
- (6) To the extent that liability exists under the Product Liability Act for personal injury or property damage to items used for personal purposes.
- 3. Unless otherwise stipulated in III clause 3 and VII clauses 1 and 2, our liability is excluded.
- 4. Defects are to be reported to us immediately after their discovery. The delivered items subject to the complaint are to be kept at our disposal. We will reimburse the costs of return only if the return was requested by us.
- 5. The ordering party bears the burden of proof that the prerequisites for the claims of breach of duty by him/her have been met. This also applies to any fault on our part.

Dated: 03/2008 Page 3 of 4



- 6. Defect claims lapse 24 months after dispatch of the delivery item unless the law provides for an obligatory longer statute of limitations.
- 7. Section 350 of the German Civil Code (BGB) applies accordingly to statutory rights of withdrawal. Acceptance of guarantees or of the procurement risk on our part must be made expressly, must be designated as such and must be in writing in order to be effective. The ordering party and we agree that details given in our catalogues, printed materials, advertising materials and other general information at no point represent a guarantee or an acceptance of the procurement risk.

IX. Software use

If software is included in the scope of delivery, the ordering party shall be granted a non-exclusive and non-transferable right, limited in time in accordance with the provisions of the scope of delivery, to use the software and its documentation in connection with the delivery item intended for this purpose. Use of the software in conjunction with more than one delivery item is prohibited. Sub-licences may not be granted.

The ordering party may only reproduce, revise or translate the software, or convert it from the object code to the source code, within the legally permissible scope (Section 69 a ff. of the German Copyright Act (UrhG)) The ordering party undertakes not to remove manufacturer's details – in particular copyright notices – or to change them without our prior express written consent. We reserve all other rights to the software and the documentation, including copies.

X. Confidentiality

The ordering party and we shall each keep information received from the other party confidential. This continues to apply after the end of the delivery contract. This requirement does not apply to information that the receiving party was already legitimately aware of without an obligation to maintain confidentiality when he/she received it

or thereafter legitimately becomes aware of without an obligation to maintain confidentiality or to information that – without a breach of contract by one of the parties – is or becomes generally known. Each party retains ownership and any rights to the documentation or data carriers he/she provides. Reproduction and disclosure of such documents or data carriers are permissible only with the consent of the party that supplied them.

XI. Miscellaneous

- 1. The place of fulfilment for deliveries is the place from which we deliver.
- 2. The place of jurisdiction is Solingen. However, we may also sue at the ordering party's place of business.
- **3.** The contractual relationship shall be governed by the laws of the Federal Republic of Germany, with the exception of the conflict of laws. The applicability of the uniform UN Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.
- 4. Any complete or partial failure to assert any right or any delay in asserting any right under this delivery contract shall not constitute a waiver of that or any other right.
- 5. If a provision should be or should be come inapplicable, the validity of the other provisions shall not be affected.
- 6. We would like to point out that we store personal data in compliance with the statutory provisions and process it in connection with business transactions.

HETTIG GERMAN PRECISION

Dated: 03/2008 Page 4 of 4