

General Conditions of Sale and Delivery

1. General:

Terms that vary (a) from these conditions, especially Purchaser's conditions of purchase, or (b) those specified by law, shall only be considered binding if they have been confirmed by us in writing. Our unconditional delivery of goods, performance of services or acceptance of payments does not constitute a recognition on our part of conditions that vary from these general terms and conditions.

2. Quotations, Contracts:

Our offers are made subject to confirmation.

A contract is only formed when we give written or preprinted order confirmation or when orders are filled by us. Amendments, supplements or the cancellation of an agreement of these conditions, must be made in writing. Any statement and notifications issued by shop-assistent after conclusion of the contract are only effective if they are made in writing.

3. Prices:

Unless otherwise agreed, our prices do not include the costs of packing, insurance, freight and value added tax.

4. Payment, Set-off:

Unless agreed otherwise, payment to us by Purchaser has to be effected 5 days after delivery of the goods or performance of the services. Upon lapse of that period Purchaser is in delay according to § 286 Subsection 2 BGB. Set-off by Purchaser is permitted only with claims that are undisputed or have been upheld by final decision of a court of competent jurisdiction.

5. Shipment and Delivery:

Unless agreed to otherwise, the goods shall be shipped at Purchaser's risk. Furthermore, we shall specify the manner of shipment, shipment route and carrier. Partial shipments are possible. Section 5 above is not affected by this provision.

6. Delivery Schedules; Delay:

If we fail to comply with agreed to delivery schedules for reasons we are reasonably responsible for, Purchaser shall establish in writing an additional delivery period of reasonable length. Such additional delivery period shall be at least three (3) weeks. If delivery does not occur after lapse of the additional delivery period and if Purchaser for this reason intends to exercise its option of withdrawing from the contract or claiming damages instead of delivery, Purchaser has to notify us of this expressly in writing by requesting delivery and establishing a further additional reasonable delivery period.

7. Transport Insurance:

We are authorized to cover appropriate transport insurance on behalf and at the expense of the Purchaser in an amount at least equal to the invoiced value of the goods.

8. Retention of Title:

The goods sold shall remain our property until all claims arising out of our business relationship with Purchaser have been satisfied. If the goods have been processed or finished by Purchaser, our retention of title shall extend to the new finished product. If the goods have been processed, combined or mixed by Purchaser with goods of others, we acquire joint title pro rata, to that part of the goods that represents the invoiced value of our goods in relation to the total value of the other goods which have been processed, combined or mixed.

In the event our goods are combined or mixed with finished goods of Purchaser or of any third party, Purchaser hereby assigns its rights to us with regard to such finished goods. If Purchaser combines or mixes our goods with finished goods of a third party for compensation, Purchaser hereby assigns to us its right to compensation from such third party. If, upon such resale, Purchaser does not receive the full purchase price in advance or upon delivery of such goods, it shall agree with its customer a retention of title in accordance with these conditions. Purchaser hereby assigns to us all its claims arising from such resale and its rights arising from the said agreement for retention of title.

Purchaser shall advise its customer of such assignment of rights and provide us with the information and documents necessary to enforce our rights. Notwithstanding the foregoing, Purchaser shall only be entitled to collect payments from claims from such resale to any third party as long as Purchaser properly satisfies its liabilities to us. In the event that the security interests granted to us exceed the value of our claims, we shall, when requested, be obliged to release security interests which we deem appropriate. In the exercise of our retention of title a withdrawal of contract can only then be seen, if we have beforehand expressly declared this in writing.

9. Force Majeure:

Conditions of Force Majeure shall relieve us from our delivery obligations. If there is a material change in the conditions that exist at the time this contract is entered into, we are entitled to withdraw and terminate this contract. The same rights shall apply with respect to, but not limited to, cases of interruptions in our supplies of energy or raw materials or in cases of industrial disputes, governmental decrees, breakdowns of transport or of our operations or if our suppliers fail for the foregoing reasons to deliver at all, or fail to deliver in a proper or timely manner.

10. Product Information:

Information about our products, equipment, plant and processes is based on extensive research and our considerable experience in the field of applied engineering. We provide this information, which is to the best of our knowledge accurate, orally and in writing. We assume no liability other than as agreed in the terms of the individual contracts and we reserve the right to make technical modifications in the course of our product development. Our product information solely describe our goods and services and are in no way to be construed or interpreted as a quality or condition guarantee according to § 443 BGB, unless we have beforehand confirmed this to Purchaser in writing. The aforesaid shall not relieve Purchaser of its obligation to verify the suitability of our products and processes for the use or application intended by Purchaser. These limitations

shall also apply to the protection of third party intellectual property rights as well as applications and processes.

11. Complaints:

All Purchaser complaints, particularly those regarding the quality or quantity of the goods, must be submitted to us in writing without delay, but not later than ten (10) days from delivery of the goods or in the case of latent defects within ten (10) days from the date such defect(s) is discovered or should have been discovered through the exercise of reasonable investigation. If Purchaser does not advise us complaints or notices of defects timely or in the agreed form, our deliveries and services are deemed to be without defect with respect to the complaint or notice being not timely or not according to the agreed form. If Purchaser knowing of defects accepts our deliveries or services, Purchaser shall only be entitled to rights deriving from such defects if Purchaser has expressly reserved such rights in writing.

12. Liability for Defects:

Purchaser cannot derive rights from a defect in our goods and services if only negligible impairment of the value or the usage of our goods and services exists. In the event of justified claims arising from the quality of the delivered goods, we reserve the right, solely at our discretion, to either replace or repair the goods. For this, we always are to be given the opportunity within reasonable time. If our repair or replacement fails to remedy the defects, Purchaser shall be entitled to either adjust the purchase price or withdraw from the contract. Further Purchaser may claim refund of its actual out-of-pocket expenses necessary for the purpose of repair or replacement. This is precluded should such expenses be increased because the goods were later transported to a place other than the seat of Purchaser, unless such transport is the intended usage of the goods. Claims of Purchaser for recourse against us as provided for by statutory law are only given in as much and insofar Purchaser has with its customers not agreed to provisions surpassing the legal rights in case of defects. Regarding the right to claim refund for expenses the preceding provision applies accordingly. The warranty period for our goods and services is one year from date of delivery. This does not apply in cases a longer period is prescribed by statutory law according to §§ 438 Subsection 1 No. 2, 479 Subsection 1 and 634a Subsection 1 No. 2 BGB.

13. Delivery Shortages:

In case of incomplete deliveries or wrongly delivered goods, or in case we intentionally or negligently breach another obligation (collateral obligation), Purchaser has to notify us of this in writing and simultaneously set a reasonable time period for delivery of the complete delivery, the correct goods or to remedy the breached obligation. Purchaser cannot derive rights from negligible differences in the quantity of the delivery. If the difference in the quantity of the delivery is more than negligible, we will deliver the remaining amount if this is reasonable for us, otherwise we will issue a credit note.

14. Limitation of Liability:

We can only be held liable for damages, irrespective of the legal basis therefor, based on breaches of obligations deriving of the contract, tortious acts, and intentional misconduct or gross negligence on our part, or on the part of our legal representatives or on the part of those employed by us in the performance of our obligations or if the breach of our contractual obligations violates the essence of the contract (essential obligations). In the case of slight negligence our liability for damages shall be limited to the foreseeable damage typical for a contract of this nature, however in no event more than twice the invoiced value of the goods in question. The aforementioned limitation of liability or of damages shall not apply in cases of damage to life, body or health or damage to private property under the product liability law (ProdHaftG) or in other cases of mandatory liability. If Purchaser has claims for damages under this Section 15. these shall be time-barred within the periods as stated for claims for defects according to Section 13. above (Liability for Defects).

15. Copyright protect of drawing and catalogues

All ourselves produced drawings, sketches, samples, pictures, photographs and internet representations are copyright protected as representations of applied arts. Also after delivery it is forbidden to the orderer neither to copy or to disseminate these drawings nor to give examination to thirds without our written agreement in particular to competitors. Regardless of the artistically value of these drawings/samples the orderer is obligated to pay a compensation at a heights of eightfold of the price stated under item 2 of these conditions in case of unallowed multiplication or spreading. In accordance with the copyright law we reserve further claims. In case the orderer let us have drawings/samples or similar for further treatment or use he has to take care of that we are exempted of claims of thirs and are left out of each liability, especially claims of copyright. Informations, drawings and instructions are given to the best of our knowledge on the basis of experience a efforts; a liability as far as we are concerned can not be given.

16. Place of Jurisdiction/ Place of Performance and Place of fulfilment

Place of performance as of payment and fulfilment for all obligations out of the legal relations between us and the orderer is Herford. This settlement is also valid in case we carry out outputs for the orderer at another place or outputs which are carried out have to be resettled. All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The number of arbitrators shall be three. The language of correspondence and the language used by the court in the settlement of disputes shall be German. The place of settlement of disputes shall be Herford. Both parties agree to accept the decision of the court of arbitration as binding on them both.

17. Applicable Law:

The contract and the legal relationship with the Purchaser shall be governed by German Law.

18. Trade Terms:

If any trade terms have been agreed pursuant to the International Chamber of Commerce INCOTERMS, the INCOTERMS 2000 shall apply.

19. Severability:

The voidness, defeasibility or nullity of one or several provisions does not affect the legal validity of all the rest of the provisions. As a consequence, this provision will be substituted by the effective legal regulation.

IMPORTANT:

These "General Conditions of Sale and Delivery" are a translation of the German conditions (Allgemeine Verkaufs- und Lieferbedingungen).

This translation is provided for the information and benefit of our customers.

Should any doubts arise regarding the interpretation of these General Conditions of Sale and Delivery the German version shall prevail in all respects.