

Our services for you

General terms and conditions (GTC)

Date of issue February 2013



NOTICE

This is a translated version from the original German version of the “Unsere Leistungen für Sie; Allgemeine Geschäftsbedingungen (AGB)”. If there are any differences between the understanding of these GTC and the German original version the latter prevails and is controlling.

Dear Customer,

Our business relationship with you is important to us. We will always try to satisfy your requirements whilst we are working together. Only by acting together and using high quality standards will it be possible to meet the needs of the market to best effect.

Unfortunately this necessitates some terms and conditions to ensure clarity about the duties of both parties.

We therefore use our general terms of business to lend greater precision to what we promise to supply to you.

I. Scope

(1) We hope that you will understand that in addition to the individual contract agreements and the statutory regulations, only these general terms of supply shall apply to our goods and services and all transactions between us and you, the purchaser, customer or client.

Unfortunately we cannot accept any different terms of purchasing or other different general terms of business. Any such difference terms of business shall also not become part of the contract by our acceptance of an order. A lack of notification on our part shall not be regarded as an acknowledgement. We are sure that you will understand that these general terms of business shall be applicable even if we accept payments from you or provide services to you whilst being aware of contrary or differing terms and conditions. We would be grateful if you would note that you express your agreement to our terms and conditions at the latest when you accept our goods or services.

(2) If these general terms of business become an integral part of contracts with you as a result of their legal inclusion, we would like to point out that in the event of a long term business relationship between us they shall also apply to all future contracts without having to be included on every occasion until such time as our new terms of business come into effect.

(3) All agreements made between us and you must always be made in writing for the sake of better verification.

(4) Please also note that these general terms of business only apply to transactions with enterprises in the sense of § 14 of the German Civil Code.

II. Details, suitability, title to documents

(1) Any form of verbal or written advice, for example from our external sales staff, is provided by us to the best of our knowledge and on the basis of our experience. Details of our products, particularly in our brochures, catalogues, other documents and electronic media, for example on the internet, particularly relating to the suitability and use of our products, shall be non-binding unless said details have been included in our quotation or our order confirmation. Please note that we cannot and may not exempt you from your duty to carry out your own inspections and tests. Please remember that in particular you are not exempt from checking the suitability of our products and recommendations for the purposes you intend to use them and all other purposes. This shall particularly apply to compliance with statutory and official regulations for the use of our products.

(2) Quality and dimensions are as specified in DIN standards and material sheets. If there are no such DIN standards or material sheets, the relevant European standards shall apply or, if there are no such standards, trade practice shall apply.

(3) We hope that you will also understand that drawings and other documents as well as models, samples and all other items which we provide for the completion of the order shall remain our property and must be returned to us on request. We reserve all rights to these items, in particular copyright. They must not be made accessible to third parties or use for purposes other than that for which they were supplied to you. This shall particularly apply to those documents which are marked as confidential. We would also be grateful if you would note that you must obtain our express consent before you forward documents to third parties. Copies may only be made for archive or replacement purposes. If originals bear a note about copyright protection, such a note must also be made on any copies you make.

III. Scope of service, contract conclusion, written form

(1) Our quotations shall be non-binding. In principle the order placed by you comprises the quotation which is normally accepted by us in the form of a written confirmation (order confirmation). Our written order confirmation shall be binding for the scope of our service. In the event that we have provided a quotation this shall be binding but in the event that it is a limited-time quotation it shall only be binding if it is accepted promptly. We hope

that you will understand that if you fail to accept our quotation promptly we shall not be bound by the quotation.

(2) We shall be entitled to accept your order within two weeks of the placement of the order by you unless a longer acceptance period has been agreed. In this respect please remember that if we fail to provide an order confirmation any service provided by us shall be regarded as an order confirmation.

(3) We shall be bound to our quotations for three months. The products shall be manufactured and supplied on the basis of the information you provide. As usual, we shall be entitled to revoke our quotation if you have not yet accepted it. We are sure that you will also understand that your orders, which cannot be regarded as acceptance of our quotations, can only be regarded as having been accepted by us if we issue express confirmation. Our order confirmation shall then be binding for the scope of the service.

(4) The transfer or grant of intellectual property rights and copyrights, in particular commercial intellectual property rights, by us to you shall not be included in this quotation. The type and scope of utility or intellectual property rights to be granted by us shall be set out in a separate contractual agreement.

(5) Our quotation assumes that you are prepared to review technical modification proposals from us at regular intervals and to have them approved by the end customer if applicable so as to give us an opportunity to reduce costs and justify the negotiated lifetime conditions.

(6) To avoid misunderstandings you should supply all declarations of intent in writing. Telephone orders and data transfers by email will therefore be carried out at your risk.

IV. Inspection parameters, changes

(1) Inspection methods for which specific measurements or control values apply must be agreed and accepted by both parties before the start of deliveries. If no such agreements are made, our inspections methods shall apply.

(2) In the event that you fail to supply information or supply incorrect information we reserve the right to change the content of the service within reason. The regulations require that any negative effects resulting from this, in particular in the form of costs or damages, shall be charged to you.

(3) In the event of a technical change requested by you, residual stocks of the existing design must be accepted by you for a maximum period of six months before the transition to the new design.

(4) We are sure that you will understand that in the event of planning, drawing, application and other changes requested by you after the date of the order, we cannot provide any guarantees for the suitability of our products both for you and for other third parties. This shall particularly apply with respect to the use of products for applications with changed stress requirements, so-called transfer components.

Changes after the order date shall be made at your risk. We shall not accept any liability in this respect.

V. Prices, price increases, cash on delivery, payment in advance

(1) Unless otherwise agreed, our prices shall be ex-works pursuant to Incoterms 2010, in EURO and exclusive of value-added tax which must be shown separately in the invoice. You shall be responsible for paying the costs of packaging, freight, carriage, duties and transport insurance.

(2) We shall normally charge for tool costs in EURO.

(3) We may adjust our sales prices to take account of increases in material procurement costs (particularly raw material costs, wage and auxiliary wage costs and energy costs) if a period of at least four months elapses between the conclusion of the contract and the delivery of the goods.

If the delivery is delayed for reasons which are not our responsibility, the prices in force on the actual date of delivery shall be used with any price increases being limited to the price established on the market. In the event of considerable price increases you shall naturally be entitled to cancel the contract.

(4) Changes to freight, taxes, duties and other public payments shall, however, entitle us to change our prices accordingly without you being entitled to cancel the contract. Details of supplements and discounts and other terms of delivery are set out in the specific price agreements. The prices shall not be binding for follow-up orders.

(5) We are sure that you will understand that we can only supply goods to customers with whom we do not have a current business relationship by cash on delivery or payment in advance.

The same shall apply for customers whose payment of our invoice has been late at least three times.

VI. Terms of payment, interest, deterioration of financial situation, miscellaneous

(1) Unless otherwise agreed, the purchase price shall be due on a strictly net basis within 30 days of the date of the invoice and delivery of the goods.

(2) Our outstanding accounts from the business relationship shall be assigned to Eurofactor AG. Payments must be made in EURO plus statutory value-added tax to the bank account specified on the invoice at no cost to ourselves. Payment must be made in such a way that the amount is freely accessible to us on the due date.

(3) Please note that you will be in default after the elapse of the due date. In the event that you are in default with payment, we shall be entitled to charge default interest at a rate of 8 percentage points p.a. above the relevant base rate in accordance with § 247 of the German Civil Code. Interests shall be due immediately. Both we and you shall be entitled to provide evidence that we suffered higher or lower damage. We hope that you will understand that if you have not made the agreed payment within a reasonable extended deadline, but at the latest within one month after the due date, we shall be entitled to cancel the contract and demand compensation for non-fulfilment.

(4) If we have agreed that the goods should be released for shipment by our customer within a certain period after we have given notification that they are ready for shipment (call order), we shall be entitled to invoice the goods from the date on which the goods were ready for shipment. The same shall apply for the specified dates for call orders.

(5) We hope that you will understand that the non-payment of due invoices or other circumstances which indicate a major deterioration in your financial situation after the conclusion of the contract, mean that we shall be entitled to demand immediate payment of all our outstanding accounts from this same legal relationship regardless of the term of bills of exchange accepted as a means of payment. If we have justifiable doubts as to your solvency or creditworthiness, for example if an application has been made to open insolvency proceedings, we shall be entitled to demand payment in advance or suitable security for your payment. We are sure that you will understand that if you are not prepared to make payment in advance or provide security, we shall be entitled, after setting a reasonable extended deadline, to cancel these contracts and either demand compensation for non-fulfilment or the reimbursement of our costs.

(6) The statutory regulations for default payments shall not be affected by this.

(7) We expressly reserve the right to accept bills of exchange or cheques. Bills of exchange and cheques shall only be accepted by agreement, for fulfilment purposes and on condition that they can be redeemed. Redemption charges shall be charged from the date on which the invoice total was due. Bank, redemption and collection charges shall be payable by the customer.

(8) It is necessary that we define, whilst revoking §§ 366, 367 of the German Civil Code and despite any specification to the contrary on your part, which of our outstanding accounts are settled by your payment. You waive your right in this respect to determine how your payments are used.

VII. Setting off, rights of retention

(1) As usual, you may only set off our demands against undisputed, acknowledged counter claims or those which have been established by a court of law.

(2) You shall only be entitled to exercise rights of retention if they are based on the same contract. In the event that you claim that the goods are defective, you shall not be entitled to exercise a right of retention unless our goods are obviously defective. In this case you shall only be entitled to exercise a right of retention if the retained amount is a reasonable proportion of the defects and the expected fulfilment costs, in particular the costs for rectifying the defects.

VIII. Delivery, lead times and delivery dates, duties of cooperation, part consignments, reminders

(1) Unless otherwise agreed our goods will be delivered ex-works or branch office (place of fulfilment) pursuant to the EXW clause in Incoterms 2010 either by collection on your part or, to order, by "chargeable" shipment. We shall of course notify you promptly of the timing of the collection so that you can take the action that is normally required.

(2) The time of the ex-works shipment or notification that the goods are ready for collection shall decide whether the delivery dates or lead times have been satisfied. The agreed delivery date shall be deemed to have been met if the goods are ready for ex-works shipment on the delivery date. Delivery dates shall be deemed to have been met on notification that the goods are ready for shipment if the goods have not been shipped promptly at no fault of our own.

(3) Please note that lead times shall commence on receipt of our order confirmation by you but not before all details of the order have been clarified in full and the receipt of all the documents and permits to be provided by you; the same shall apply to delivery dates. The lead times specified by us are approximate unless the lead time has been agreed as binding. The lead time or delivery date is conditional on us being able to obtain prompt delivery of the requisite goods and that no unforeseeable production problems occur.

(4) Compliance with our supply duties shall require the prompt and correct fulfilment of all cooperation duties and obligations by you. We are sure that you will understand that if you fail to comply with your contract duties or obligations, for example the provision of domestic or foreign documents, completion of an advance payment or the like, promptly, we shall be entitled to extend our lead times and delivery dates (notwithstanding our rights from default on your part) by a reasonable period to account for the

needs of our product process. If we are unable to meet binding lead times for reasons for which we are not responsible (unavailability of services, for example the inability of our sub-contractors to supply goods), we shall naturally notify you without delay and specify a reasonable new lead time to take account of these circumstances. If the service we must provide is also not available within the new lead time, we shall be entitled to cancel the contract in full or in part; we shall reimburse any payment made to us without delay. Our statutory rights (for example exclusion of a duty to provide a service) and your rights from these general terms of delivery shall not be affected.

(5) Part consignments and invoicing for them shall be permitted as long as they do not result in any disadvantages for the fulfilment of the contract.

(6) The start of our being in default with the delivery shall be determined by the statutory regulations. Please note that in any event a reminder from the purchaser with an extended deadline shall be required.

IX. Default

(1) In order to ensure an accurate record of the consequences of default, we can only accept liability for documented damages caused by delays for which we are responsible in the event that we are in default with the delivery of our goods as described in clause XX. We cannot accept any liability in the event of a delay in delivery for which we are not responsible. Naturally we shall notify you without delay of the likely duration of any delayed delivery.

(2) Please note that if you are in default with accepting the goods, we shall be entitled to demand compensation for any damages we suffer as a result. The risk of accidental deterioration and loss shall be transferred to you when you start to be in default with accepting the goods.

X. Forces majeures

As usual in industrial delivery contracts, forces majeures and major unforeseeable problems which are beyond our control such as strikes, lock-outs, failure on the part of sub-contractors to meet delivery deadlines or their failure to deliver goods at all, operational, sales or supply problems as a result of energy, raw material or labour shortages, difficulties with procuring transportation, traffic problems or official measures which affect ourselves or our sub-contractors shall release us from our contract duties for the duration of such measures or problems. We shall not be held responsible for the circumstances set out above even if they occur whilst we are already in default. We shall notify you without delay of the start and end of such measures and problems or the unavailability of the goods. If the delivery is delayed by such measures and problems for more than four weeks, the parties to the contract shall of course be entitled to cancel the contract. In the event of such cancellation any payments already made shall be reimbursed. All further claims shall be excluded.

IX. Duty of acceptance, call orders

(1) We hope that you will understand that in the event that a project is stopped before an initial sampling approval process can be completed, you will have to pay us all the costs incurred to that point.

(2) Unless otherwise agreed, a duty of acceptance shall be agreed for a period of four months for ordered quantities (finished parts) and for preview quantities (raw materials).

(3) Call orders must be placed in writing. In the event that call orders are used, an agreement of delivery dates for part consignments shall be made taking into account our capacity planning and the possible procurement of raw materials.

(4) Unless agreed to the contrary, we shall grant a period of six months from the date of the purchase order for call orders. If this period expires without a call order being placed, we shall be entitled, at our discretion, to invoice the products or to cancel the contract.

XII. Transfer of risk, storage and storage charges

(1) The timing of the transfer of risk shall be as specified in the EXW clause of the Incoterms 2010.

Pursuant to this the risk of accidental loss and deterioration of the goods shall be transferred to the purchaser once notification has been given that the goods are ready for collection. Notification that the goods are ready for collection shall be equivalent to handing over the consignment to the forwarder or the goods leaving our works or warehouse for shipment if the goods are shipped at the request of the purchaser. All consignments are shipped at the risk of the purchaser from the time they leave our works, even if free delivery has been agreed.

(2) Please note that if the collection or shipment of the goods is delayed at your request or for reasons for which you are responsible or is made impossible at no fault of ours, the risk shall be transferred to you when we provide notification that the goods are ready for collection or ready for shipment. We are sure that you will therefore understand that in these cases we shall be entitled, at our discretion and at your expense and risk, to store the goods, take all precautions which we deem suitable to maintain the goods and to invoice the goods as if they had been delivered. The statutory regulations relating to acceptance default shall not be affected. After we have set a reasonable deadline for the collection of the goods which passes without such collection taking place, we shall also be entitled to dispose of the goods elsewhere and to supply you with goods after a reasonably extended lead time or to supply them to you at your expense and your risk.

(3) Please note in this respect that you must pay any costs incurred as a result of this, but at least storage charges of 0.5% of the order value for every month or part month subject to a maximum of 5% of the order value, starting from the date on which we notify you that the goods are ready for shipment.

XIII. Insurance, shipment, responsibility for costs, inspection, loading times

- (1) We do not accept minimum insurance cover.
- (2) Please note that we shall only arrange insurance for transport damage if you request us to do so and only at your expense.
- (3) If we have agreed to ship the goods, this shall not change anything relating to the transfer of risk, place of fulfilment and the provisions set out above. The type and route of shipment shall be selected by us but with no guarantees that it will be the cheapest carriage, that the full load weight will be used or that we will use the requested means of transport and container sizes. We shall select the forwarder or freight driver. Additional costs resulting from different requests on your part shall be charged to you. You must notify us of any such requests promptly before shipment is made. We shall then comply with your wishes if possible and at your expense.
- (4) It is unavoidable that in the event of the goods being damaged or lost in transit you will have to arrange an inspection with photographic documentation without delay and send us the results in writing immediately on receipt of the shipment. The damaged shipment must be returned to us or scrapped as agreed. If it is scrapped, you must retain samples of the goods in our mutual interest or return them to us as agreed.
- (5) Our loading times are Monday to Thursday from 7 am to 12 noon and 12.45 pm to 4 pm and Friday from 7 am to 12 noon.

XIV. Packaging, customer's containers

- (1) Unless agreement has been made to the contrary, we shall determine the type and scope of packaging. The standard price is based on our standard packaging for the product concerned. Special packaging must be agreed separately. The choice of packaging shall be made using the required care at our discretion.
- (2) Pallets shall remain our property and must be returned to the shipment point free of charge to us without delay. This shall not apply to pallets shipped overseas.
- (3) Your containers must be received at our works promptly and free of charge for us. We are sure that you will understand that we are not obliged to inspect, clean or repair these containers but shall be entitled to do so at your expense.
- (4) Please also note that in the event of the containers being damaged or lost, we shall be entitled after delivering the damaged containers, at our discretion, to demand payment of the replacement value or the supply of equivalent replacements or, in the event of damage, the reimbursement of the repair costs.

XV. Intellectual property rights, software utility rights

- (1) To ensure that we can achieve a solution which is in the interests of both parties, we state that if the contract products must be manufactured to your specifications you must guarantee that their manufacture and delivery does not breach any intellectual property rights held by third parties.
- (2) If we are prohibited from such manufacture and delivery by third parties on the basis of their intellectual property rights, we shall be entitled to cease manufacture and delivery and demand compensation of our costs.
- (3) We shall not have any obligation to review the legal situation.
- (4) It is also necessary to state that your compensation claims shall be excluded in these cases.
- (5) We would also like to point out that you must compensate us from any damages we incur as a result of a breach of intellectual property rights and exempt us from claims by third parties. You must advance any court costs at our request.
- (6) You shall be granted non-exclusive, non-transferrable utility rights to any programs supplied by us and the accompanying documentation as well as any subsequent supplements for use by the customer in conjunction with the products for which the software was supplied.

XVI. Storage conditions

Our components must be stored in a cool dry place and protected from UV radiation, mechanical damage as well as solvents and their gases.

XVII. Inspection and complaint obligations, acceptance procedure

- (1) Your rights in the event of the goods being defective and all contract compensation claims relating to defective goods assume that you have correctly satisfied your inspection and complaint obligations set out in § 377 of the German Commercial Code. Otherwise (the regulations say) the defect shall be deemed to have been approved. In particular you must inspect the goods with the required thoroughness immediately after their delivery or on collection. The defects which can be found during this process must be reported to us in writing. Defects which cannot be discovered by even the most careful inspection must be reported to us immediately after discovery in writing and any machining or processing work must be stopped immediately. Otherwise, we would point out that the defect shall be deemed to have been accepted.
- (2) The provision of § 377 of the Commercial Code shall apply as and where appropriate for general and works services. The complaint shall not exempt you from your duty to comply with your payment obligations.
- (3) If an acceptance procedure has been agreed for the goods / services, this procedure must be completed at our works or at our warehouse within one week starting from the date on which we notify you that the goods are ready for the acceptance procedure. You shall be responsible for the costs of the acceptance procedure. As usual, if you fail to complete the procedure within this week, the acceptance procedure shall be deemed to have been completed and the goods accepted. If we have not provided a guarantee for the properties of the goods or have not kept quiet maliciously about a defect, your rights relating to defects after the completion of the agreed acceptance procedure by you shall be excluded if you have not reported the defect although you could have identified it by carrying out the agreed acceptance procedure, in other words you did not discover the defect due to negligence.

(4) We would be grateful if you would be kind enough to give us the time and opportunity to inspect the reported defect and in particular if you would hand over the goods to us for this purpose on request. We are sure that you will understand that in the event of unjustified complaints we shall charge any freight and handling costs and the costs of the inspection work to you.

XVIII. Properties, defect rights, recourse claims

- (1) Please note that only those product descriptions which are an integral part of the specific contract can be used as an agreement of the properties of the goods. In addition to the statutory regulation, the goods shall also be deemed to be free of defects if they have the properties which you can expect on the basis of the product description supplied by us. On the other hand we cannot accept any liability for public statements by third parties (for example advertising statements).
- (2) If the goods are defective, in the interest of both parties we shall initially always be given an opportunity to refulfill our contract duties within a reasonable period of time. It is therefore necessary for us to be entitled to rectify defects, supply replacement goods or issue a credit note at our discretion. Our statutory right to refuse to do so shall not be affected. If our attempt at refulfillment fails, in other words if at least two attempts at rectification fail or it is unreasonable for us to expect you to accept the refulfillment, you shall of course be entitled to cancel the contract if the defect is not inconsiderable, or to request reduction of payment for the goods. The rectification attempt may also be carried out by you by agreement with us and shall take place at the consignee address specified in the contract. We hope that you will understand that your claims relating to the costs required for the purposes of refulfillment, in particular transport, travelling, labour and material costs, shall be excluded if these costs are increased because the goods were subsequently transported to a place other than your site unless their transportation is part of the intended use of the goods. It is important to us that you undertake to cooperate in the rectification process on the basis of our instructions, within reason and against the reimbursement of your costs. Only in urgent cases, for example if there is a danger of disproportionately large damages or a risk to operational safety, shall you therefore be entitled to rectify the defect yourself or have it rectified by third parties. It is necessary for you to notify us without delay and to obtain our consent for such action. This shall only not be necessary if you can provide evidence to the effect that you were unable to contact us.
- (3) Our declarations relating to this contract, for example specifications, reference to DIN standards, etc. may not be regarded as guarantees in the event of doubt. Only our express written declarations about the provision of a guarantee shall be binding in this respect. Details in product descriptions and product specifications, notwithstanding their registration as characteristic details in the sense of § 434 or § 633 of the German Civil Code, shall in no circumstances constitute guarantees for the characteristics of the goods or for the fact that the goods have a certain characteristic for a certain period of time.
- (4) You shall not be entitled to defect claims in the event that our products have suffered natural wear and tear as a result of their material properties, in particular in the event of damage which takes place after the transfer of risk as a result of the incorrect or unintended use or negligent treatment of our products, incorrect installation, excessive stress, unsuitable media, substitute materials or as a result of special external influences of a chemical, electro-chemical or electrical nature, as long as these conditions were not set out in the contract or the damage is not the result of circumstances for which we are responsible.
- (5) If our products are not used for the purpose for which they are intended, and in particular if you fail to comply with statutory or official regulations or our instructions and information, unauthorised modifications are made to the products or our products are not handled correctly or are used incorrectly contrary to the intended use agreed in the contract, all claims for resultant damage shall be excluded.
- (6) As part of the refulfillment action carried out by us with no legal obligation, for example for the purposes of good will, you shall only be entitled to claims for defects by express agreement.
- (7) Statutory recourse claims against us shall only exist in the event that you have not made any agreements with your customers which go beyond the statutory defect and compensation claims.

XIX. Statute of limitations, suspension of the statute of limitations

- (1) The statute of limitations for claims and rights relating to defects affecting our products, services or works services and resultant damage shall be one year. The above statute of limitations shall not apply if the law specifies longer periods in cases pursuant to §§ 438 Para. 1 No. 1 and 2, 478, 479 and 634 a Para. 1 No. 2 of the Civil Code. The statute of limitations set out in sentence 1 shall also apply to all compensation claims made against us, regardless of whether they relate to a defect and regardless of the legal basis for the claim.
- (2) The statute of limitations set out in Para. 1 Sentence 1 shall not apply, of course, in the case of malice, if we have deliberately not mentioned the defect, we have provided a guarantee for the properties of the goods, for compensation claims relating to death, physical injury or harm to the health or freedom of a person, to claims based on the Product Liability Law, in the event of a grossly negligent breach of duty or the culpable breach of major contract duties and if the statutory regulations relating to the Consumer Goods Purchase Law apply.
- (3) Refulfillment action, in other words the delivery of perfect goods or defect rectification work, shall not result in the statute of limitations restarting but shall only suspend the statute of limitations for the original goods by the duration of the completed refulfillment action. In the event of doubt, the completion of refulfillment action by us shall not comprise acknowledgement in the sense of § 212 No. 1 of the German Civil Code.

(4) The above provisions shall not result in a change to the burden of proof to your disadvantage.

(5) Unless expressly specified to the contrary, the statutory regulations relating to the start of the statute of limitations, the suspension of the period and the suspension and the restart of periods shall not be affected.

XX. Restrictions of liability

(1) Please note that our liability in the event of malice or gross negligence shall be based on the statutory regulations. Otherwise we shall only accept liability under the Product Liability Law, for the death, physical injury or health harm to a person or for the culpable breach of major contract duties, in other words a breach of those duties whose fulfilment is necessary for the correct execution of the contract and on compliance with which the other party to the contract can normally rely. Compensation claims for a minor negligent breach of major contract duties shall be limited to the foreseeable damage which is typical for this type of contract. Please also note that even in cases of gross negligence, our liability shall be limited to the typical foreseeable damage for this type of contract unless one of the exceptions set out in sentence 2 of this paragraph 1 applies.

(2) We hope that you will understand that if we are not liable for malice, gross negligence, culpable breach of major contract duties, the death, physical injury or harm to the health of a person or under the Product Liability Law, our liability for damages caused by our goods or services to your legal property, for example to other goods, loss of profit or other asset damage shall be excluded.

(3) The provisions of paragraphs 1 and 2 above shall extend to compensation in addition to the goods or services and compensation instead of the goods or services regardless of the legal grounds, in particular as a result of defects, breach of duties from the debt relationship or for illegal actions. They shall also apply to claims for compensation for futile expenses and for liability due to impossibility and default.

(4) Claims for compensation made against us for property and product asset damages as well as motor vehicle recall costs shall be limited to the sum of 10 million euros on the basis of the insured sum in the public and product liability insurance policy and motor vehicle recall costs insurance policy we hold. This restriction of liability shall not apply, however, if our liability is based on malice, gross negligence, the culpable breach of major contract duties or under the Product Liability Law and in cases in which you are claiming compensation on the basis of a guarantee or assurance made by us as to the existence of a property unless the purpose of the property guarantee only extends to the goods being compliant with the contract and not to the risk of consequential damage resulting from a defect.

(5) Our compensation duty shall also be excluded if you have effectively restricted your liability to your customer. We would be grateful if you would be kind enough to attempt to agree restrictions of liability within the limits specified by the law to our benefit.

(6) To clarify the situation we would ask you to note that if our liability for compensation is excluded or limited, this shall apply to all claims on your part for culpability on conclusion of the contract, breach of additional duties, claims under § 823 of the German Civil Code and claims based on impossibility and default. If our liability is excluded or limited, this shall also apply to the personal liability of our staff, workers, colleagues, representatives, agents and vicarious agents.

XXI. Exclusion of cancellation or termination

We are sure that you will understand that apart from those cases which are mandatory in law, for example cancellation due to defective goods or termination for an important reason, you shall only be entitled to cancel or terminate the contract if we commit a breach of duty; in particular a free right to terminate the contract (for example pursuant to §§ 651 and 649 of the German Civil Code) shall be excluded. In this respect we would ask you to note that cancellation or termination must be declared in writing. Otherwise the statutory requirements and legal consequences shall apply.

XXII. Tools, costs, customer-supplied items, labour orders

(1) In the event that you purchase tools, they shall of course become your property but shall remain in our possession – in our mutual interests. As a result of the specific “know how” which we possess and which is included in the tools, the tools cannot be removed from the SGF plant or our supplier’s plant (for outsourced parts) unless we or our supplier suffer liquidation or insolvency. In the event that the tools are no longer required, they can be scrapped if you supply written instructions to this effect.

(2) These tools shall be invoiced in euros as follows unless otherwise agreed:

40% of the tool costs when the order is placed

30% of the tool costs when the initial samples are submitted for approval

30% of the tool costs on receipt of the initial sample approval.

No approval shall be given to produce the tools if the first 40% of the costs are not paid and/or no initial series parts shall be supplied if the last instalment is not paid.

We require that different agreements must be set out in writing.

Parts from series production cannot be dispatched until six weeks after the receipt of approval of the series tool (initial sample approval) at the earliest as long as we have received the appropriate arrangements promptly.

To achieve a solution which balances both our interests, we reserve the right to charge all the costs incurred by the development and sampling phases to you if the ordered parts do not go into series production for reasons for which we are not responsible.

(3) It is important to us that you take responsibility for inspecting and guaranteeing the quality of any material you provide (for example material properties, dimensional accuracy, etc.). Please ensure that any such material is delivered to us free of charge. Please note that we only complete a receiving inspection on material provided by you to check the quantity and identity and a visual inspection to check for obvious transport damage. In this respect we shall only be obliged to ensure that the material

complies with your specification if there are obvious indications for this. We shall not be obliged to conduct any other inspections. Naturally an inspection can be expressly agreed but the costs of any such inspection will then be charged to you.

(4) Please remember that in the event that the items provided to us are damaged, destroyed or lost, we shall only be obliged to replace them if we are responsible for the damage, destruction or loss. If parts can no longer be used as a result of machining errors, we shall of course complete the same work free of charge on a new workpiece sent to us at our expense. We reserve the right to source the part ourselves. Otherwise our replacement duty shall be limited to the procurement of an item of the same type and value wherein (as per the regulations) a new for old value deduction shall apply if the legal requirements for this are satisfied.

(5) Normal wear and tear shall be excluded from liability. It is of particular mutual interest that you insure the items supplied to us using an “external insurance policy” against damage such as fire, theft or flooding.

(6) We would appreciate you noting that unless paragraphs 1 to 5 above of this clause XXII expressly contain provisions to the contrary, the provisions of clauses I to XXI and XXIII to XXVII of these general terms of business shall be applicable. This particularly applies to our liability for defects and consequential damage and for seizure rights to items supplied to us

XXIII. Exchange rate agreement

If, contrary to clause V and XXII prices have been agreed in US dollars, we require that in both our interests an exchange rate agreement is made with the following terms:

1. Tool costs shall be calculated using the EUR/USD current exchange rate published by Deutsche Bank AG Frankfurt on the date of release.

2. The price per part in US dollars for series parts shall be recalculated each quarter for the following three months. (The calculation shall be carried out on 1 January, 1 April 1 July and 1 October each year.)

- The EUR/USD exchange rate for this recalculation shall be the average EUR/USD money exchange rate for the past three months published by Deutsche Bank AG Frankfurt.

- In the event that the EUR/USD exchange rate used for the last US dollar price calculation is outside a plus/minus three percent range of the three-monthly average described in point 2, the new average exchange rate described in point 2 shall be used to calculate the price. If the plus/minus three percent range of the exchange rate is exceeded, the US dollar exchange rate used to calculate the price shall not change and therefore the series part price in US dollars shall also not change.

XXIV. Reservation of title, insurance, processing, assignment of accounts receivable, access right, seizure rights

(1) As supplier we reserve title to the goods (reserved title goods) until all accounts receivable which already existed on the date on which the contract was concluded and all future accounts receivable from the existing business relationship with you and your group of companies or the business relationship initiated by the conclusion of the contract have been settled. We require that this reservation of title remains in force even if some of our accounts receivable are included in current invoices and the balance has been drawn and acknowledged. If bills of exchange or cheques are deposited and pass through the cheque/bill of exchange procedure, title to the goods supplied by us shall pass to you at the earliest only after we can freely dispose of the amount of the cheque or bill of exchange and our liability from the bill of exchange no longer exists.

(2) In both our interests you undertake to treat the reserved title goods with care and in particular to insure the reserved title goods at their new value and at your own expense against damage caused by fire, water, storm, burglary and theft. Any security claims accrued in the event of damage must be assigned to us. We hereby accept this assignment. If servicing and inspection work is required, please remember that you must complete this work promptly at your own expense.

(3) Any machining or processing of the reserved title goods shall be completed on our behalf as the manufacturer in the sense of § 950 of the Civil Code without this entailing any obligation for us. The machined or processed goods shall then be regarded as the reserved title goods in the sense of paragraph 1. If the reserved title goods are processed, connected and mixed with other goods by you, we shall be entitled to co-title of the new goods proportionate of the invoice value of the reserved title goods to the invoice value of the other goods used. If our title is voided by connection, mixing or processing, you hereby transfer to us your title or claim rights to the new goods or to the item up to the amount of the invoice value of the reserved title goods, in the event that they are processed on the basis of the proportion of the reserved title goods to the invoice value of the other goods used and you shall store them for us free of charge. Our co-title rights shall apply as reserved title goods in the sense of paragraph 1.

(4) In this respect we would ask you to note that you may only resell the reserved title goods as part of your normal business activities and as long as you are not in default and you reserve title to them and the accounts receivable from such resale are transferred to us as described in paragraphs 5 and 6. You shall not be entitled to dispose of the reserved title goods in any other way. The use of the reserved title goods to fulfil works contracts shall also be regarded as resale in the sense of this paragraph 4.

(5) We require that your accounts receivable from the resale of the reserved title goods are hereby assigned to us. We hereby accept this assignment. They shall serve the same security purpose as the reserved title goods in the sense of paragraph 1. In this respect we require that you provide us with all the information required about the whereabouts of the goods which are our property and the accounts receivable which have been assigned to us if we request that you do so.

(6) If the reserved title goods are resold together with other goods, the account receivable from this resale is hereby assigned to us proportionate to the invoice value of the reserved title goods to the invoice value of the other goods. We hereby accept this assignment. If you resell goods to which we have co-title as described in paragraph 3, you hereby assign part of the account receivable which is equivalent to our co-title and we hereby accept this assignment.

(7) You shall be entitled to collect accounts receivable from such resale unless we revoked this collection authorisation in the cases described in paragraph 8. We are sure that you will understand that at our request in these cases you shall be obliged to notify your customers immediately of this assignment to us unless we do so and that you shall also provide us with all the information and documentation required to collect the account. Please note that you are not authorised to assign the accounts receivable in any circumstances.

(8) We hope that you will understand that if you are in default with payment and this indicates a risk to the realisation of a not inconsiderable part of our account receivable from you, we shall be entitled to ban the processing of the goods we have supplied, take back the goods and to enter your premises to achieve this if necessary. The taking back and seizure of the reserved title goods by us shall not constitute the cancellation of the contract unless the Consumer Credit Law or § 449 II of the German Civil Code is applicable. The agreement of the reservation of title includes the reservation of a right to cancel in the event that you are in default with payment. In this case we require that you hereby declare your agreement that the persons charged by us with the collection of the reserved title goods may enter the land or building on or in which the reserved title goods are located on foot or in vehicles in order to take possession of the reserved title goods.

(9) To achieve a solution which balances both our interests we insist that factoring business may only take action with our consent. You are therefore not entitled to pledge the reserved title goods or to transfer title to them to third parties by ways of security. You must notify us without delay of any action taken by third parties. In the event of action by third parties involving the reserved title goods, particularly seizures, we require that you notify them of our title and notify us without delay so that we can claim our title rights. Please note that if the third party is unable to reimburse us with any court or out of court costs incurred in this respect, you shall be liable for them.

(10) We shall also have a contract right of seizure to the goods supplied to us for machining for all accounts receivable based on the contract. This right of seizure may also be claimed for accounts receivable from previously completed work, deliveries of spare parts and other services if these are not related to the subject of this contract. The right of seizure shall apply to other claims from our business relationship as long as they are undisputed or have been fixed by a court of law. §§ 1204 ff. of the Civil Code and § 50 Para. 1 of the German Insolvency Regulation shall apply as and where appropriate.

(11) If the reservation of title is not valid as a result of the law of the country in which the supplied goods are located, you must provide equivalent security at our request to secure the interests of both parties. If you fail to satisfy this request, the regulations state that we may demand the immediate payment of all outstanding invoices regardless of the terms of payment agreed for them.

(12) If the realisable value of the existing securities exceeds the secured accounts receivable by more than 15%, we shall be obliged to release securities at our discretion if requested to do so by you.

XXV. Confidentiality

(1) We, the parties to the contract, undertake to treat all commercial and technical details which are not part of the public domain and which come to our attention as a result of the business relationship as confidential.

(2) Drawings, models, templates, samples and similar items must not be given or otherwise made accessible to third parties. Such items may only be copied if required for operational reasons and in accordance with copyright regulations.

(3) Sub-contractors must be subjected to corresponding obligations.

(4) The parties to the contract may only advertise this business relationship with each other's prior written consent.

XXVI. Duty of information if a range is phased out

In order to achieve our objective, you must notify us in writing at least six months before a range of products is to be phased out and specify the binding acceptance quantities until the phase-out date. Otherwise it is unavoidable that you will have to accept the phase-out costs thus incurred.

XXVII. Export verification

If you are a customer based outside the Federal Republic of Germany and you or your agent collects goods and transports or ships them to another country, the regulations state that you must provide us with the export verification required for tax purposes. If you fail to provide this verification, please note that you will have to pay value-added tax due on goods supplied within the Federal Republic of Germany at the rate due on the invoice total.

XXVIII. Place of jurisdiction, applicable law, place of fulfilment, invalidity, data protection

(1) The exclusive local and international jurisdiction of the courts in Traunstein, Germany shall be agreed for all disputes arising from the contract between the parties. This shall also apply to disputes relating to the document, bill of exchange or cheque process. We shall be entitled, however, to sue you at your registered business address.

(2) It is important to us that the laws of the Federal Republic of Germany are exclusively applicable to our contract with you. The applicability of the Convention of the United Nations dated 11 April 1980 on Contracts for the

International Sale of Goods (CISG – "Vienna Purchasing Rights") shall be excluded in this respect. Unless otherwise agreed in the terms and conditions above, the latest version of the international commercial terms (Incoterms) shall apply to cross-border contracts

(3) Unless otherwise agreed the place of fulfilment shall be our registered business address in Waldkraiburg.

(4) If a provision in these general terms of business and the other agreements should be or become invalid, this shall not affect the validity of the remainder of the contract. We, the parties to the contract, shall strive to replace the invalid provision with another provision which is as close as possible to the commercial and legal objective of the original formulation on the basis of the applicable statutory regulations in this case.

(5) Finally we would like to draw your attention to the fact that we store your personal details required for our business relationship using electronic data processing equipment and in compliance with the Federal Data Protection Law.

XXIX. Contact data

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