

I. General

Only the individually negotiated contractual terms and our General Terms of Supply apply to our deliveries. We do not recognize any other General Terms of Business – even if deliveries are supplied without reservations. In the event of permanent business relations or skeleton agreements, these General Terms of Supply also apply to all future supply contracts until our new Terms of Supply take effect. By acceptance of our goods, at the latest, the purchaser expresses his consent to our terms.

II. Tender, Tender Documents

We can accept orders within 6 weeks. Our tenders are without commitment, if nothing to the contrary is stated in the order acknowledgement. We reserve the rights of ownership and copyrights to all documents which we may provide. Any disclosure or forwarding to third parties is subject to our written consent.

III. Price, Price Changes

1. Our prices are always quoted from FCA Pforzheim with addition of the value-added tax applicable on the date of supply, before customs, freight, packaging and insurance. Value-added tax will be shown separately in the invoice. Prices apply to each order and not in arrears or for future contracts.

2. We reserve the right to increase our prices to a reasonable extent if cost increases occur after the contract has been made, in particular as a result of collective wage agreements, market acquisition costs or material price rises. Evidence of such increases will be supplied to the purchaser on request. The purchaser does not have any right to rescind the contract unless the price increase exceeds the rise in the general cost of living by an significant amount.

IV. Scope of Supply, Industrial Property Rights, Data Protection

The criterion for the content and scope of the contract is our acknowledgement of the order. Partial deliveries are permitted inasmuch as no disadvantages for use are produced thereby. They are deemed to be performance of separate contracts and are to be paid separately. Due to production reasons, we reserve the right to supply more or less than the ordered quantity within the limits customary in the trade but not exceeding 10% more or less than the agreed purchased quantity. If we infringe industrial property rights of third parties as a result of performing such orders, the purchaser will hold us harmless in relation to claims by the holders of the rights. Any more extensive damages will be paid by the purchaser.

We have the right to process data within the limits of the Federal Data Protection Act.

V. Supply Period

1. The supply period will start no earlier than on dispatch of acknowledgement of the order. The supply period we specify cannot begin until all technical questions have been clarified in full.

2. The supply period is deemed to have been observed if the consignment has been dispatched within the supply period or notification of its readiness has been given.

3. Force majeure releases us from the duty of on-time supply. In such cases, we can, at our discretion, lengthen the supply period for as long as force majeure lasts or rescind the contract in whole or in part. The purchaser does not have any claim to compensation for the damages thus incurred..

VI. Annulment Costs

If the purchaser withdraws an order which has already been placed, we can claim 10% of the sales price for the costs incurred by handling the order and for loss of profits, without prejudice to our being able to claim actual higher damages. The purchaser has the right to provide evidence of lower damages.

VII. Passage of Risk and Transportation

1. Basically, supply from FCA Pforzheim is agreed. The risk passes to the purchaser as soon as the shipment has been delivered to the party performing carriage or has left our warehouse for dispatch.

2. If dispatch or delivery is delayed at the purchaser's request, we will claim warehouse charges amounting to 1% of the invoiced amount for every month or part of a month but totalling no more than 5%, this being subject to the reservation of evidence being supplied showing higher damages. The purchaser has the right to provide evidence of lower damages.

VIII. Violation of Duties

To be able to meet our supply obligations, we require punctual and due fulfilment of the purchaser's obligations.

If damages claims are made for reason of non-performance due to default and subsequent impossibility, our liability for simple negligence is limited to the damages caused by us which are foreseeable and typically associated with the actual transaction. Apart from this, we are only liable for intent and gross negligence.

IX. Terms of Payment and Default in Payment

1. Invoices for supplies of goods are payable with 2% discount for payment within 10 days or net payment in up to 30 days beginning at date of invoice.

2. In the event of default in payment, we can require payment of interest on arrears amounting to 8% p.a. above the then applicable base interest rate under Section 247 of the German Civil Code. Evidence of higher damages due to default can be provided. The purchaser only holds offsetting or retention rights in relation to our claims if his counter-claim is undisputed or has been legally established in a final form.

X. Obligations relating to Inspection and Lodging Complaints, Material Defects

1. A notice of defects under Section 377 of the German Commercial Code is only deemed to have been made in due time if we receive it within a period of 5 working days, calculated from the date of receipt of the consignment. For concealed defects, this period starts when the defect is discovered. A notice of defects does not release the purchaser from his payment obligations. If there is a defect in the supplied item for which we are responsible, we can either, at our discretion, remedy the defect or supply a replacement within a reasonable extension period set by the purchaser. If we remedy the defect, we will only pay costs equivalent to the amount of the price agreed for supply. Even in urgent cases, the purchaser has no right to remedy the supplied item himself without obtaining our prior written consent. If the remedying of the defect or supply of a replacement proves unsuccessful, the purchaser has a right of rescission or price reduction, at his discretion. If the purchaser chooses to rescind the contract after subsequent performance has proved unsuccessful, he has no additional claim to damages as a result of the defect. If the purchaser is supplied with faulty assembly instructions, we are merely under obligation to supply proper assembly instructions, this being only if the fault in the assembly instructions prevents due assembly. Any further claims by the purchaser are ruled out, unless caused by us deliberately or through gross negligence or in cases of death, bodily damages or damages to health and in the event of malicious concealment of a defect. Thus we are not liable, in particular, for damages consequential to the defect which are incurred outside of the supplied item itself neither are we liable for loss of profits or other financial damages suffered by the purchaser. In the event of gross negligence, our compensation obligation is restricted to typical foreseeable damage.

2. In relation to the qualities of the goods, only the manufacturer's product description is deemed to have been agreed. No defect claims will be recognised in the event of no more than minor deviations from the agreed qualities. Public statements, recommendations or advertising by the manufacturer do not constitute contractual data on qualities. We do not provide the customer with warranties in the legal sense. Information in product descriptions and product specifications does not constitute a warranty of qualities in the supplied item or a warranty that the item will retain a certain quality for a certain length of time, inasmuch as such information is not classified as information on qualities as defined in Section 434 of the German Civil Code. Any possible damages claims under Sections 280 ff. of the German Civil Code are restricted to the scope of our coverage under our product liability insurance policy, which is a figure of no more than 1 million euros. This does not apply if liability is mandatory in view of damage to life, body or health. Our compensation obligation for property damage in the event of negligent causing of damages is restricted to the compensation paid by our product liability insurance policy, which is a figure of no more than 1 million euros.

3. The time limitation period for defect claims is 6 months, starting at the time of hand-over of the item. This time limitation also always applies to claims for compensation for damages consequential to defects, inasmuch as no claims resulting from tort are made and the claim is not based on damage to life, body or health.

XI. Joint Liability

Inasmuch as our liability to pay damages is ruled out or restricted, this also applies to all claims made by the purchaser relating to culpa in contrahendo or breach of subsidiary obligations or claims of the purchaser under producer's liability as per Section 823 of the German Civil Code. The same applies to impossibility. If our liability is ruled out or restricted, this also applies to the personal liability of our employees, collaborators, representatives and vicarious agents.

XII. Retention of Title

We retain title to the supplied item until all liabilities have been settled which result from the business relationship with the purchaser and were incurred at the time at which the contract was made, including all liabilities incurred at this time which result from follow-up orders, repeat orders or orders for spare parts. If the value of all security rights that we hold exceeds the value of the secured claims by more than 20%, we will release an appropriate share of the security rights at the purchaser's request.

XIII. Place of Jurisdiction, Place of Performance, Miscellaneous

1. The place of jurisdiction is at the court having jurisdiction for our seat of business in Pforzheim. We can also sue the purchaser at the court having jurisdiction for his seat of business.

2. If nothing to the contrary is stipulated in the contract or acknowledgement of order, our seat of business is also the place of performance.

3. Solely the law of the Federal Republic of Germany shall apply to all legal issues arising between the purchaser and ourselves, even if said purchaser has his seat of business abroad. Private international law and the United Nations Convention on the International Sale of Goods (CISG) are excluded.

4. If any single provisions in these Terms of Supply are void, the other provisions are not affected thereby. Void provisions are to be adapted to achieve the financial purpose for which they were intended.

Pforzheim, November 2002