

General Terms and Conditions of Business and Terms of Delivery of plawa-feinwerktechnik GmbH & Co. KG for Commercial Customers

1. Validity of the Present Terms and Conditions/Exclusion of other Terms and Conditions

Orders placed with us shall be concluded solely on the basis of the following terms and conditions of delivery and payment. Any deviations from the present terms and conditions shall only be valid if they have been agreed in writing and signed by our General Management. Terms and conditions of purchase issued by our customers shall not be valid unless we have given our express written consent in each individual case and such written consent has been signed by our General Management.

2. Offer, Terms and Conditions of Delivery, Transfer of Risk, Prices

(a) Unless specifically designated as binding in an individual case, our offers shall be subject to confirmation and non-binding. In accordance with the provisions of § 147 of the German Civil Code (BGB), offers without any time restrictions must be accepted immediately; where offers are transmitted they must be accepted by the time acceptance could be expected under normal circumstances. Where an offer period is specified, acceptance must be pronounced within such period. In principle, our prices shall be exclusive of value added tax.

(b) The contract shall be deemed to have been concluded if we confirm the order in writing; an order shall also be deemed to have been confirmed in writing if we issue a delivery note or send an invoice. We reserve the right to make changes to models, to the design or to equipment, provided this does not result in any changes to the object of the contract that are unreasonable for the customer.

(c) If the customer defaults on payment of an outstanding account or if circumstances become known to us after the contract has been concluded according to which the customer has suspended payments or has experienced a deterioration in his economic circumstances and this puts our claim for payment at serious risk, then we shall be entitled to make further processing of orders and delivery conditional on the customer effecting a payment on account to the value of our services. We may stop processing the order and make its continuation conditional on the customer providing security to the full order value. In such case we shall set the customer an appropriate deadline and state that if the deadline passes without result we shall reserve the right to withdraw from the contract and/or demand compensation for non-performance. If we withdraw from the contract we shall also be entitled to demand compensation.

(d) In principle, our prices shall be ex warehouse Uhingen. The risk of accidental loss including the risk of fault on the part of the carrier shall pass to the customer as soon as the consignment has been handed over to the transport contractor, irrespective of whether or not carriage paid delivery has been agreed contrary to the above provisions. Unless otherwise specifically agreed, we reserve the right to decide on the form of shipment.

(e) Unless otherwise expressly agreed between the contracting parties, the goods shall be compulsorily insured for UPS transport at the customer's cost. If shipment is not by UPS, insurance against transport damage shall only be taken out at the express wish and cost of the customer.

3. Delivery Period and Period of Performance and Proviso on Price

(a) Delivery periods shall be subject to the proviso that we ourselves receive deliveries properly and on time. We shall therefore not assume any procurement risk. Delivery periods shall be extended accordingly in the event of force majeure (see below).

(b) An agreed delivery period shall commence when we have reached agreement with the customer on all points in the contract. Furthermore, delivery deadlines and periods shall apply on condition that the customer does not subsequently change the order; that any documents and information that are necessary for execution of the order are provided by the customer on time and that the customer fulfils his duties of cooperation. They shall also be subject to the condition that the customer does not default on payments or experience a deterioration in his economic circumstances (see No. 2 (c) above and No. 4 (d) below).

(c) We shall not be liable for consequences (e.g. exceeding of delivery deadlines) that are caused by unforeseeable events outside our sphere of influence. In particular, such circumstances shall include war, boycotts, strikes (at our company or at our sub-suppliers), operational breakdowns at our company and at our sub-suppliers, difficulties in materials procurement or with transport, etc. Such cases shall not constitute any dereliction of duties on our part. Claims for damages on account of dereliction of duties pursuant to §§ 280 et seq. of the German Civil Code (BGB) shall therefore be excluded in such cases. Once the aforementioned difficulties cease we shall immediately continue with fulfilment of our obligations. Delivery periods shall be extended accordingly.

(d) We shall be entitled to effect partial deliveries at all times, unless partial performance would not be of any benefit for the customer.

(e) The prices agreed by us shall also be subject to the condition that deliveries to us are effected at the purchase prices that had been agreed at the time the order was accepted. In the event of an increase in the price of raw materials or goods purchased for resale, of an increase in rates of pay or of other increases in costs, we shall be entitled to withdraw from the contract without penalty and to make the purchaser a new offer that takes the changes in prices into account.

4. Return of Repairs

(a) Items that are returned for repair shall be returned at the sender's cost and risk. Carriage forward shipments shall not be accepted.

(b) We shall not assume any liability for consumables that are sent in with the item being returned, e.g. battery, memory card, etc.

(c) Repairs shall only be carried out under the warranty if the valid,

fully completed original warranty card is enclosed with the repair; together with the corresponding proof of purchase.

5. Terms of payment

(a) Unless expressly agreed in writing, our invoices shall be payable immediately on delivery without any deductions.

(b) Even if the customer has provisions to the contrary, we shall first be entitled to offset part payments against the oldest outstanding accounts. If costs and interest have already accrued we shall be entitled to offset incoming payments first against costs, then against interest and then against the principal claim.

(c) We shall not be obliged to accept cheques or bills of exchange. If we do accept them, cheques or bills of exchange shall only be accepted on account of performance, not in lieu of performance. Performance shall only be deemed to have been effected when the bill or cheque is finally honoured. In addition, all associated costs (collection or discounting charges, taxes on bills of exchange, etc.) shall be borne by the customer.

(d) In the event of default in payment the customer must pay the statutory default interest in all cases, and we reserve the right to assert further claims.

If the customer defaults on payment of an outstanding account this shall render all of our outstanding accounts payable. All payment deferrals - including where bills have been accepted - shall end. During the period of default we shall be entitled to make the continuation of our order and/or the delivery of work dependent on a payment on account to the value of the work done by us. Alternatively, we may also make continuation of an order conditional on the customer providing security to the full order value. In such case we will set an appropriate period for the customer and state that if the period passes without result we shall reject any discharge of performance and demand compensation in lieu of performance and reserve the right to withdraw from the contract. Also, if we are entitled to suspend continuation of an order on the basis of these provisions we shall not be deemed to be in default of delivery. Instead, the delivery period shall be extended accordingly, taking into account any additional time that becomes necessary. The above provisions shall also apply if, after conclusion of the contract, it becomes known to us that the customer has suspended payments or has experienced a deterioration in his economic circumstances that puts our claim for payment at serious risk.

(e) We shall be entitled to assign our claims against the customer.

6. Offsetting

The customer shall only be entitled to offset against counterclaims if the alleged counterclaims have been acknowledged by us or established by a court of law. The rights of retention pursuant to § 273 of the German Civil Code (BGB) and § 369 of the German Commercial Code (HGB) shall not apply. Similarly, the customer's defence pursuant to § 320 of the German Civil Code (BGB) and § 438 para. 4 sentence 2 of the German Civil Code (BGB) shall also be excluded, unless we have committed a material infringement of the contract or unless the counterclaim on which the right to refuse performance is based is undisputed, established by a court of law or ready for a decision.

7. Reservation of Title

(a) In principle, we shall deliver goods subject to reservation of title.

(b) Title shall remain subject to final payment of our outstanding account. Moreover, reservation of title shall be governed by the following additional provisions:

aa) Reservation of title shall continue to apply until payment of all current and future outstanding accounts from the current and future business relationship with the customer. Where we book the customer's outstanding accounts on an open account basis, reservation of title shall also extend to the recognised balance. Payments under a cheque/bill of exchange procedure shall not be deemed valid when the cheque is honoured but shall instead only be deemed to constitute performance once we no longer have any liability under the bill of exchange in particular.

bb) The customer shall be entitled to sell on the delivery item during the normal course of business. However, he here and now assigns to us in advance the first ranking part of his claim from the sale, in an amount corresponding to the value of our goods (including value added tax). We revocably authorise the customer to collect claims assigned to us in his own name and for his own account.

cc) We shall only realise goods subject to reservation of title and other goods given as security if the ordering party has payment arrears or if a significant deterioration in his economic circumstances becomes known. In such case we shall also be entitled to revoke the customer's authority to collect claims that have been assigned. We shall realise security at our discretion after a due assessment of the circumstances. Unless impractical, advance warning must be given if security is to be realised and security may be realised five days after such notice has been given.

(c) According to § 449 para. 2 of the German Civil Code (BGB) we may only reclaim our goods on the basis of reservation of title if we have withdrawn from the contract. We shall be entitled to do this if the requirements of § 323 of the German Civil Code (BGB) or § 324 of the German Civil Code (BGB) are met. The notice of rescission shall not exclude the assertion of compensation claims pursuant to § 325 of the German Civil Code (BGB). If the aforementioned requirements are met, our demand to recover possession shall at the same time also include the declaration of rescission if a separate declaration of rescission is not issued.

(d) If third parties access the goods subject to reservation of title the customer shall be obliged to inform that party of our rights and to

notify us immediately. The customer shall bear all costs and losses.

(e) We shall release any excess security - whereby we shall be free to choose what security is to be released - if the sum of the invoice value of our goods that are subject to reservation of title and the sum of claims assigned to us exceeds the sum of all claims against the customer to which we are entitled by more than 10%.

(f) If the customer includes a claim assigned to us from the resale of delivered items in a current account relationship with his customer, then the full amount of the current account claim is here and now assigned to us in advance. Once balancing out has been completed, it shall be replaced by the recognised balance, which shall be deemed to have been assigned to us in advance up to the amount of a first ranking amount that constituted the original claim.

8. Obligations in respect of Inspection and Complaints/ Material Defects /Subsequent Delivery

(a) The goods supplied by us must be inspected by the customer immediately upon arrival at the place of destination and must be handled with the due care of a responsible businessman. The inspection must also extend to any agreements on properties. A complaint must be notified immediately in writing if defects are identified during the inspection process. Under the terms of this provision, immediately shall mean within one week of arrival at the place of destination. Complaints relating to hidden defects that could not be detected on immediate inspection must be notified in writing at the latest within two days of being discovered. Complaints notified after expiry of the agreed warranty period shall not be considered. If no warranty period has been agreed complaints notified after expiry of the statutory warranty period shall not be considered. If the above obligations in respect of inspection and complaints are infringed, then - provided there was no intent to deceive - the customer shall not be entitled to assert claims in respect of material defects and the goods shall be deemed to have been approved. If the customer is a merchant the provisions of § 377 of the German Commercial Code (HGB) shall apply exclusively.

(b) Defects in part of a delivery may not lead to a complaint regarding the entire delivery, provided that the defective parts can be separated by reasonable means from those parts that are free of defects. In such case the customer may demand subsequent delivery and paragraph (f) below shall apply accordingly. We may refuse to effect subsequent delivery if this is only possible at unreasonable cost. In such case the customer's claims shall be restricted to a reduction of the purchase price. Claims for compensation shall be excluded provided there is no intent or gross negligence on our part. The above shall also apply correspondingly in the event of short shipment.

(c) Where a defect of the type described above relates to goods or services that we have procured from third parties and we have no liability to the customer in this respect, then we shall in each case be obliged to assign any claims that we may have against third parties to the customer, without any guarantee whatever.

(d) Unless a shorter period is specified by law, all claims against us shall become time-barred at the latest within twelve months from the date of delivery. This shall not affect any claims of the customer pursuant to § 478 of the German Civil Code (BGB), taking into account the provisions of § 377 of the German Commercial Code (HGB) if the customer is a merchant.

(e) Claims against us for compensation pursuant to §§ 280 et seq. of the German Civil Code (BGB) shall also be excluded if we have indeed infringed obligations but these only involve negligence or a more minor fault. In the event of gross negligence the amount of liability shall be limited to reimbursement of typical, foreseeable damage. The statutory regulations shall apply in all other instances.

(f) If we are entitled or obliged to provide subsequent delivery because of a defect in the delivered item or for any other reason, then if the product in question is no longer being manufactured, we shall also be deemed to have fulfilled our obligation to effect subsequent delivery if we deliver a comparable successor product.

9. Delivery to Resellers

Deliveries to resellers shall be effected solely for the purpose of resale to end consumers. The sale of goods to resellers of all types shall require our written consent. Infringements against this provision shall render the customer liable to pay damages.

10. Place of Performance/Applicable Law

The law of the Federal Republic of Germany shall apply in principle, to the exclusion of the UN Convention Relating to a Uniform Law on the International Sale of Goods. The place of performance for delivery and payment shall be Uhingen; the place of jurisdiction is agreed as the court with jurisdiction for Göppingen if the purchaser is a merchant entered in the commercial register, a legal person under private law or a public law entity, or a special fund under public law. We shall however also be entitled to bring an action at the customer's place of jurisdiction. The above provision on the place of jurisdiction shall also apply if the customer does not have a place of general jurisdiction in the Federal Republic of Germany and does not fulfil the above requirements.

11. Disposal

If we are obliged to take back packaging in accordance with the provisions of the Packaging Ordinance (Packungsverordnung), this obligation shall be assumed by the customer.

12. Saving Clause

If individual provisions of our above General Terms and Conditions of Business and Terms of Delivery are or become invalid, this shall not affect the validity of the remaining provisions.