

TERMS OF PURCHASE AND SALE

01.10.2010



TERMS OF PURCHASE

1.. Purchase Order

The present terms of purchase are based on our General Terms and Conditions even if in the course of business transactions with the supplier orders are placed without using the order form provided. In this case, it is also possible to place orders by phone provided that the present terms of purchase are valid.

2. Order Acknowledgement

If the supplier acknowledges receipt of the order in writing, any other conditions of the supplier going beyond the content of these terms of purchase are not subject matter of the contract in particular restrictions of warranty performance obligations are not admissible.

3. Delivery Dates

The agreed delivery time is generally deemed a fixed deadline. If the delivery date is not met, the supplier will be in default without any reminder being required. The supplier shall be at any rate obliged to notify us immediately once he realizes that the delivery date cannot be met. In the event of a default of delivery, we shall be entitled to the legal claims from the breach of a firm bargain. Should a customer claim for any contractual (e.g. penalty for non-fulfillment) or lawful damages due to the supplier exceeding the deadline, we will hold him liable for that.

4. Shipping Note

On the day of shipment at the latest, a shipping note shall be forwarded. Each shipment shall be provided with the required delivery notes or packing slips. These documents shall precisely state all order numbers and any other labelling required in our order. Packaging and shipping instructions shall be observed by the supplier. Should we incur any additional costs due to non-observance of the aforementioned regulations, these shall be at the supplier's expense.

5. Delivery Delays

In case it becomes evident to the supplier that a delivery will be delayed, he shall notify us immediately in writing and agree with us on any further course of action. The supplier shall not be entitled to any payment of his additional expenses, such as e.g. increased employment of staff and material he requires in order to meet the agreed delivery deadline. We shall be entitled to withdraw from the contract in whole or in part if the supplier does not meet our requirement for punctual delivery to full extent or if it is foreseeable that proper contract fulfilment cannot be reached despite increased material and personnel expense (e.g. due to force majeure).

6. Insurance

The supplier shall accept the required insurances until arrival of the shipment at our premises.

7. Invoicing

All invoices shall be presented in duplicate immediately upon delivery. The invoices shall be issued separately for each purchase order and have to include our order number and date of order. The period of payment shall start on the date the invoice is received and not on the date of the invoice.

8. Payment

Payment will be made with the payment method of our own choice either within 14 days (upon receipt of invoice) with deduction of 2% cash discount or within 30 days from receipt of invoice. Without our written consent, the supplier is not entitled to assign his claims towards us or to instruct a third party with its collection.

9. Warranty

Warranty shall end 12 months upon delivery and/or completion of assembly or acceptance, or if necessary upon TÜV acceptance or similar. Warranty of the supplier shall also include the parts manufactured or deliveries made by sub-suppliers to full extent.

10. Processing Orders

If the contract refers to the treatment, processing or refining of parts provided by ourselves, the supplier shall in no case obtain proprietorship of the item, but the work performed is undertaken exclusively in our name. In such cases, the supplier shall not be entitled to claim entrepreneurial lien nor any other right of retention due to possible claims against ourselves. The above terms are also binding should the supplier combine or mix items to be delivered with parts ordered by us.

11. Drawings

Should the supplier be required to produce any drawings, models, etc. during execution of our purchase order, the ownership rights of any and all such documents or models shall hereby be transferred to the ownership of the buyer without any further agreement.

12. Advertising Material

It shall only be allowed to refer to any existing business relationship with us in advertising material or the like on our explicit consent. Advertising with items that are based on our purchase order shall be inadmissible.

13. Execution

The supplier uses the best suitable materials and ensures proper execution in accordance with the recognized rules of technology and in consideration of the regulations defined in our order. In this respect, the characteristics mentioned in the offer shall be binding in conjunction with the characteristics specified in the purchase order. Welding of machine parts for the rectification of cast and treatment faults shall be subject to our prior written consent. The warranty obligation or liability of the supplier, especially for manufacturing correct design, shall not be restricted by any approval

granted by us. Technical modifications in comparison with the offer are subject to our written approval.

14. General

Any changes to the present terms and conditions shall be made in writing. It is herewith expressly noted that informal modification of the requirement for written form shall be prohibited. Place of performance for all obligations of the parties shall be our company's registered office. If the supplier is a merchant, it shall be agreed herewith that the place of jurisdiction is the court of justice competent for our registered office. Should any of the above-mentioned terms and conditions be or become illegal for whatever reasons, all the other terms of purchase shall not be affected. The invalid provision shall be reinterpreted in such a way that the intended economic purpose is possibly achieved in a legally valid manner.

TERMS OF SALE

1. Validity of the Terms and Conditions

Our deliveries, services and offers shall be exclusively executed on the basis of the present terms and conditions. The aforementioned shall also be valid for all future business transactions with the customer without the need for further expressed agreement. Any general terms and conditions of the customer deviating therefrom are herewith expressly disclaimed. Deviating or complementary conditions of the customer as well as ancillary agreements referring to the contract shall only be binding upon our written confirmation

2. Offer and Conclusion of Contract

Our offers are always without engagement. Especially designed offers shall be binding for us for 30 calendar days. Purchase orders and orders are deemed accepted upon receipt of the order confirmation. Ancillary agreements and modifications shall only be legally effective if they have been confirmed by us in writing. Any information on dimensions, weights and performances as well as drawings and illustrations being included in the offer shall be without obligation as long as they are not expressly identified as binding by us. Minor deviations from the construction form, color and equipment as well as the data indicated in the description shall be reserved. Any documents, especially drawings and constructions, enclosed with the offer shall be utilized by the customer only within the scope as agreed upon. Without express approval, they must neither be copied nor made available to third parties.

3. Price and Payment

The prices are EURO prices and are without VAT which shall be charged separately at the current rate in accordance with the applicable tax regulations. The prices refer to

the delivery of the ordered items in Aschaffenburg. Freight and packaging costs arising for the actual delivery shall be invoiced separately. The invoice amount shall be due for payment immediately on receipt of the invoice at the customer's. In the event of a default of full or partial payment, the customer shall pay default interest in the amount of 8% above the respective ECB base rate. Our entitlement to claim higher damages shall remain unaffected.

4. Time of Delivery and Performance

Dates and periods for the performance of an order shall be deemed as binding only if expressly confirmed by us in writing. The deadline for the execution of the works starts on the day on which we receive the written mutual agreement by both parties on the order content. Deadlines and periods can only be observed if the customer sends us all the documents to be delivered as well as permits, releases, clarifications and samples possibly becoming necessary within his obligation for cooperation in due time. If non-observance of deadlines or periods of time is attributable to mobilization, war, riots, strike, lock-out, incorrect or late delivery by sub-suppliers or the occurrence of unforeseen hindrances that are beyond our control, the completion deadlines shall be extended accordingly. If the delivery of the work performed is delayed for reasons that are attributable to the customer, we shall be entitled to charge storage costs as well as any other damage caused by the delay.

5. Deliveries

Dispatch is generally made at the risk and on account of the customer. If not agreed otherwise, we shall be entitled to determine the means and route of transport ourselves. The risk of accidental loss or accidental deterioration of the goods shall pass to the customer upon hand-over to the transporting agency. If dispatch is delayed due to reasons that are not our fault, the risk shall pass to the customer upon notification of readiness for shipment. On request of the customer, we take out an insurance policy at his own expense which covers theft, breakage, transport and water damages.

6. Retention of Title

The goods shall remain our property until final payment. Until then, pledging or transfer of securities shall be prohibited. In the event of attachment of our goods or any other impairment of our rights by third parties, the customer shall be obliged to make reference to our right of ownership and to inform us immediately on such impairment. Resale and/or reprocessing in the ordinary course of business shall be allowed, retention of title shall also cover processed goods. In the case of compound or mixture with other goods not belonging to us, we will acquire co-ownership in accordance with §§ 947,948 BGB (German Civil Code). In the event of resale and/or reprocessing, the customer assigns to us already in advance the claims arising from resale against such third party in the amount of the invoice amount to which we are entitled as security and authorizes collection. Insofar as the customer collects the assigned claims himself, this will only be done in trust for us. When including our claims from

the delivery contract in the current invoice (current account) our retention of title shall remain valid as long as a credit is still available for us from current account.

7. Warranty

In accordance with § 377 HGB (German Commercial Code), it is the obligation of the customer to inspect the goods on receipt and to notify us immediately on any defects in writing. He must not change the delivery item complained. The customer shall give us the opportunity and necessary time for inspection and supplementary performance. If we are not allowed to do so, we shall be relieved from the duty of supplementary performance. The customer's claims for damage shall extinguish if the item of work has been subjected to improper treatment or storage or if modifications or repairs have been made without our written approval and if such modifications or repairs have led to the defect. Parts replaced by us within the scope of supplementary performance will again become our property upon dismounting. We shall only be liable for any defective work by personnel provided by the customer if faulty instructions were given to the personnel on our part or if supervisory obligations were violated by us. Further claims of the customer towards us due to incorrect work shall be excluded. The aforementioned shall especially apply to claims for consequential damage such as loss of production and utilization and loss of profit. This does not apply if and insofar as liability is mandatory in case of personal injury or damages to privately used items according to the product liability law or in case of intention or gross negligence or in case of breach of major contractual obligations by us. We grant assembly of the subject of the contract as agreed in the contract. We shall however not be liable for the quality and appropriateness of the objects and materials provided by the customer. We shall inform the customer immediately about any concerns regarding quality and appropriateness of the materials provided by him. Should the customer fail to correct these causes of concern, we may refuse to execute the contract in serious cases. The risk of accidental breakdown and accidental deterioration of the objects and materials provided shall be borne by the customer.

8. Property Rights

Models, samples, tools, production facilities, measuring and test equipment, materials, drawings, copies, standard specification sheets and similar provided shall remain the property of the customer. We will retain these documents under strictest privacy and will only use them for the purpose of the contract. They shall only be made available to third parties upon written approval of the customer. Should any third party, under reference to a protection right in this respect, interdict production and/or delivery of any items that are produced according to the drawings, models or samples of the customer, the interdictions shall entitle us, without being obliged to check the legal status, with exclusion of any further claims on behalf of the customer, to stop production and delivery and to claim for reimbursement of expenses having arisen so far. The customer shall be required to release us from any and all damage

claims by third parties. Any samples, models, drawings, etc. shall only be returned to the customer on request. If a contract is not concluded with us, we shall be entitled to eliminate samples, models and drawings, etc. three months after submission of the offer.

9. Place of Fulfilment, Legal Venue

Place of fulfilment for all mutual obligations from the contractual relationship shall be Aschaffenburg. If the customer is a merchant, Aschaffenburg shall be the exclusive legal venue for all disputes arising directly or indirectly from the contractual relationship. The contractual relations are governed by German law.

10. Effectiveness

Should any term and condition of these terms of sale and delivery become invalid or void the validity of the remaining provisions remains unaffected.