



General Terms and Conditions of Trading Valid from January 1, 2008

I. Conditions

1. The present general terms are valid for all business operations with the purchaser or another customer (both hereinafter referred to as "the purchaser"), even if no express reference is made in later contracts. We do not recognize any conditions opposite or different from our general terms and conditions of trading, unless we agreed on their validity expressly in writing. Our terms and conditions are also valid if we deliver without reservation even if we are aware that the purchaser's conditions are opposite or different from our own general terms and conditions of trading. Other conditions will not alter the terms of the contract, unless otherwise expressly stated by us.

2. By placing an order with us, the purchaser acknowledges our general terms and conditions of trading.

II. Quotations and Prices

1. Unless otherwise agreed or specified in our written confirmation, our quotations are always subject to alteration and are without engagement.

2. A contract becomes effective only after our written order confirmation. Amendments or additions or other arrangements of orders, as well as agreements made by the purchaser with agents and representatives, require our written confirmation.

3. Drawings, illustrations, weight and volume information or other data are not binding for execution of orders, unless expressly agreed by us in writing. Samples are always regarded as approximate tests of quality, visual aspect and colour. We reserve the right to shortages or over-deliveries within a margin of 10 %.

4. If the order is not placed with us, we reserve the right of demanding consideration for consultation, models, drafts, and calculations.

5. Unless otherwise agreed, all prices are net ex works, plus VAT and packaging costs.

6. Unless otherwise agreed, packing costs amount to 2.5% of the net value plus VAT.

7. Our prices have been calculated on the basis of current raw material costs, wages, and external costs. We reserve the right to raise our prices. If they increase before delivery, particularly because of collective labour agreements, increases in material costs (especially raw material, electronic components and computer parts) or fluctuations in exchange rates. Deposits or payments made in advance by the purchaser do not alter this.

8. If the purchaser is a sales merchant or marketing person, payment retention, because of any purchaser's counterclaim not acknowledged by us, is not allowed, as are payment retention for compensation, unless we acknowledge the claim for liability for defects or for damages or the claim has legal force of a verdict. Transfer of the purchaser's claims require our written agreement to be effective.

9. Any demand that an invoice needs to be amended must be made by the purchaser in writing and within one week of receipt of the invoice, otherwise the invoice is considered acknowledged by the purchaser. As long as the purchaser is claiming his right to eliminating shortages or defects, prescription of our right to consideration is checked.

III. Delivery Period

1. Delivery and execution dates are valid only if expressly acknowledged by us in writing.

2. The delivery period begins from our sending the confirmation, however, neither before the purchaser supplies authorizations, approvals, material documents (if necessary), nor before receipt of an agreed advance payment; it requires among other things clearing-up of all technical matters.

3. We undertake to do our utmost to respect the promised delivery dates and other deadlines. Nonetheless, in absence of explicit guarantees, delivery dates and deadlines are only meant to give the purchaser an approximate idea of lead-time. Our delivery date or other dead-lines do not bind us, if the purchaser does not comply with his contractual obligations.

4. The delivery or execution period is considered to have been adhered to if the goods have left the plants or have been declared ready for shipment within this period.

Acts of god and other circumstances beyond our control, give us the right to an extension of the deadline according to the duration of these events, such as; hindrances due to public measures, works malfunctions, cast faults or miscellaneous rejections, strikes, lock-outs, various labour strike related measures, delays in delivery of accessory parts, raw materials, business materials or other necessary materials, etc.

Should delivery date be exceeded for reasons within our competence, the purchaser is

not entitled to claim for damages referring to the usual negligence.

The purchaser's rights to compensation for non-performance are generally limited to foreseeable damages; the purchaser is entitled to these rights only if the delay in delivery is based on culpable negligence or intention; in all other cases, the liability for damages is limited to 50% of the amount of damages proved by the purchaser.

5. Should the dispatch or the execution of a special requirement be delayed on the request of or due to the conduct of the purchaser, we are entitled to invoice 25% of the agreed upon price before the deductions or stoppages unless the customer proves that no damage has been incurred or not to the estimated amount. Besides, as in case of special productions or special deliveries, the enforcement of a considerable damage to be proved is to be left to us in the event of additional expenditures.

The consequence of damage of goods has to be borne by the purchaser for the time he falls behind with the delivery of the goods.

For storage in our works, regardless of the delay in payment, we are entitled to invoice at least 0.5% of the invoice amount for each month, unless the purchaser proves smaller damage it is up to us to prove bigger expenses.

Should the purchaser withdraw without authority from the placed order, we are entitled to claim 25% of the selling price for the expenses incurred due to the order processing and for lost profit. If proven, higher damages can be claimed by us. It is up to the purchaser to prove smaller damage and up to us to prove bigger damage.

6. We have the right to make partial deliveries.

7. Should the purchaser fall behind with taking delivery of goods for more than 14 days of the receipt of the availability notice, we are entitled, after granting an extension of another 14 days, to withdraw from the contract or to claim compensation for non-performance. No extension is required if the purchaser refuses definitively to take the delivery or obviously is not able to pay the purchase price during this period.

IV. Payment Terms

1. We are authorized to require a reasonable advance payment with order.

2. If no other agreement has been made, the price is due for payment, without deduction, within 30 days from date of invoice or of delivery of the item to be delivered. In case of payment within 10 days, we grant a 2% cash discount.

Cheques and bills of exchange are considered as payment only after their cashing by the bank. Bills of exchange are accepted only after a written agreement with us. In case of acceptance of bills of exchange and cheques, discount rates and rates of exchange may be charged to the purchaser and are to be paid immediately. Other expenses resulting from acceptance of cheques and bills of exchange will be invoiced to the purchaser as well.

3. If the purchaser is a sales merchant, he is in default if he does not pay on a reminder sent after the amount has fallen due. Irrespective of that, the purchaser is also in default if he does not pay by a calendar date fixed in the contract. This does not affect the legal provision whereby a purchaser is also automatically in default 30 days after the due date and after receiving an invoice.

4. We charge 7% interest on arrears per annum above the applicable interest rate charged by the ECB for top-rated finance facilities. A lower or higher rate of interest and if the ordering party is able to furnish proof of lower expenses having been incurred by us respectively.

V. Reservation of Title

1. We retain title to all goods which have been delivered until all claims under the business agreement with the purchaser are settled, especially until the current account is balanced and all exchanges and cheques are processed. If the purchaser's conduct is contrary to the contract, especially if the purchaser defaults in his payment, we are authorized to take the goods back. Our taking the goods back does not constitute withdrawal from the contract, unless we have stated so expressly in writing. We are authorized to reuse these goods. The reuse proceeds serve to compensate the purchaser's obligations towards us, less reasonable reuse costs.

2. In the case of intervention by a third party regarding an item for sale/delivery which is our property, the purchaser must inform us in writing without delay and confirm this in writing to us and the third party. The purchaser is liable for the loss incurred by us.

3. The purchaser must handle the reserved goods with care; in particular, he must adequately insure them at his expense against fire, water and theft. Claims against the insurance arising from an accident are hereby ceded to us to the full value of the goods (gross value of our invoices).

4. The conversion or redesigning by the purchaser of the item for sale/delivery is always undertaken for us. If the item for sale/delivery is combined with items not



belonging to us, we acquire the co-ownership of the new item in the proportion of the value of the item for sale/delivery to the other converted products at the time of the conversion. Moreover, the same applies to the product which is the result of conversion as to the conditionally-supplied item for sale/delivery. If the item for sale/delivery is inseparably mixed with items which do not belong to us, we acquire ownership of the new product in the proportion of the value of the item for sale/delivery to the other mixed items at the time of mixing. If the mixing occurs in a way which means that the purchaser's item is to be regarded as the main one, it is agreed that the purchaser proportionately transfers co-ownership to us. The purchaser keeps the thus-created sole ownership or co-ownership for us. The purchaser promises to allow us to inspect his documents, to the extent that this is necessary for us to exercise our rights.

Whether the purchaser mixes up the reserved goods with other goods, in a way that these goods cannot be separated, we are entitled to retain part of the title of the part of the mixed goods which is in relation to the value of the mixed goods at the time of mixing up. Should the purchaser acquire sole ownership of the new goods, the parties to the contract hereby agree that the purchaser transfers proportionate co-ownership to us. The purchaser shall keep these products safe for us with professional care. He undertakes to allow us to examine his documents, in so far as this is necessary for the protection of our rights.

5. The purchaser is entitled to sell the delivery items on, within the normal business channels; he already cedes all debts, however, in the amount of the purchase price (including VAT) agreed between him and his customer, which have derived for the customer from the on-selling process, irrespective of whether items for delivery are sold without conversion or after it. We accept this cession. After it has been ceded, the purchaser is empowered to recover this debt. Our authority to recover the debts ourselves remains unaffected by that fact; we do, however, promise not to recover the debts as long as the purchaser honours his payment obligations and does not fall behind with them. If, however, the latter is the case, we can demand that the purchaser makes known the ceded debts and the debtors, supplies all details necessary for recovery, distributes the relevant documents and informs the debtors (third party) of the cession. In selling goods on, he must give our brand name in his invoices.

6. We promise to release the securities due to us at the purchaser's request, as long as the value of the debts to be secured, if they have not yet been paid, is more than 20%; it is our responsibility to choose which securities should be released.

VI. Designs, Drawings, Tools, Moulds, Technical Information, Samples

1. We retain the copyright of designs, drawings, quotations, moulds and devices. They must not be made accessible to third parties unless we have given our written express permission.

Drawings and other documents pertaining to the quotations are to be returned to us on demand and moreover as a matter of course if we do not win the contract. The purchaser is not allowed to keep any copies.

If we have delivered articles conform to drawings, models, samples or various documents the purchaser has returned to us, the latter takes responsibility for not infringing the rights of third parties. Should we be prohibited by third parties, with reference to copyright laws, to manufacture or deliver such articles, we are not obliged to check out each legal situation but we are entitled to cease activities and to demand compensation for costs incurred and lost profit.

The purchaser undertakes moreover to exempt us from all claims of third parties arising therefrom. The purchaser's duty to exempt concerns all damages and expenditures arising from third party's claims.

2. Technical information (i.e. dimensions, specific weights) in the quotations and confirmation are not binding. Their observance cannot be guaranteed. We reserve the right to divergence within the DIN or ISO norms.

3. If tools or equipment are manufactured by us or under our control, the purchaser has to refund production cost to us, unless otherwise expressly agreed in writing. The tools or equipment remain our exclusive property unless otherwise expressly agreed with the purchaser in writing.

VII. Liability for Shortages and Defects

1. If the person placing the order is a business merchant, he shall indicate perceptible faults or incorrect delivery by means of a registered letter immediately, at the latest within five working days upon receipt of the delivery. If the person placing the order is not a business merchant, he shall indicate in writing all apparent faults or incorrect deliveries within 14 days upon receipt of the delivery.

The indication has to be communicated in any case before processing or further use of the items. Faults that cannot be detected within these terms, even by careful checking, shall be communicated to us immediately upon discovery. If the person placing the order is a business merchant, this information should also be made by registered letter.

2. If the complaint is justified, the purchaser has the right within six months of delivery, to either repair or replacement delivery according to our choice. If we are unable to repair or replace the goods or to do so within a reasonable period, for reason within our competence of if it falls otherwise, the purchaser may require a reduction of the price.

In the event of fault elimination, we shall bear all expenses necessary for the fault elimination, insofar as these have not increased due to the fact that the purchased item was transferred from the place of delivery to another site. If the person placing the order is a business merchant, we shall in all cases bear at the most, half the expenses incurred.

Usual wear and tear is beyond guarantee.

3. As far as the purchaser's rights are concerned, for whatever legal justification, we are liable only in case of intention or culpable negligence; the obligation to pay compensation is generally limited to foreseeable damages.

4. Also, we are not liable for damages manifested on other than the delivered goods.

5. We will not accept liability for our advice. Our advice does not exempt the customer from his duty of verification.

6. We disclaim all responsibility for functioning of appliances configured by customers. This applies particularly to observance of authorization terms, security instructions and their liability.

7. Service and guarantee terms of the other manufacturer of electric parts and software components have to be respected.

8. Claims for damages arising from certain violations of contract, violation of obligations during contractual negotiations, tort and product liability against us or our workers, insofar as is legally permissible are excluded, unless a damage is caused intentionally or due to culpable negligence.

VIII. Place of Execution and Jurisdiction Governing Law

1. The place of execution is Straubenhardt-Conweiler.

2. The place of jurisdiction for all disputes arising from contractual relations, if the purchaser is a sales and marketing person, is according to our choice either the county court (Amtsgericht) of Pforzheim or the district court (Landgericht) of Karlsruhe. This is also applicable, if the purchaser's domicile or usual residence is unknown at the time of legal proceedings are instituted, of his domicile or usual residence is outside Germany. We may also take the purchaser to his usual court of jurisdiction.

3. The governing law is exclusively the German law with the exclusion of the laws on international sales of personal property (particularly CISG), even if the purchaser's firm has its headquarters abroad.

IX. Other agreements

The invalidity of one or more clauses will not affect the enforceability of the other clauses.