

GENERAL TERMS OF SALE

1. CONTRACTUAL PARTNER

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District Court Ludwigsburg:
HR Ludwigsburg HRA 201442
Complementary:
Benzing-Administration-Ltd. HRB 200727

2. SCOPE, CONCLUSION OF CONTRACT

2.1 Our deliveries, offers and other services are exclusively carried out at the following terms of sale. The validity of possible General Business Terms of the buyer is hereby also objected to for the event that they are sent to us in a letter of confirmation or in any other manner.

2.2 Amendments or addendums to these General Terms of Sale require a written form in order to be valid. This shall also apply to oral collateral agreements or assurances.

2.3 Incoterms clauses shall only apply in the Incoterms version which is valid upon conclusion of the contract provided that these do not contradict our General Terms of sale.

3. OFFER AND CONDITIONS

Insofar as not otherwise agreed in writing our prices shall apply net ex works excluding packaging and plus VAT in the respective applicable amount. All secondary costs such as freight, insurance, export, import and other approvals shall be borne by the orderer. Our offers are without obligation. Contracts as well as their amendments and addendums require a written form. Delivery schedules shall become binding if we do not object to these within two weeks since the receipt.

4. DELIVERY

4.1 Delivery dates are only binding with a written agreement and presume the satisfaction of all delivery conditions, releases and approvals which are to be satisfied by the orderer as well as a timely self-delivery. If delivery deadlines are stated in days, only workdays will count. Sundays, bank holidays and Saturdays shall not count as workdays.

4.2 If no agreements were reached to the contrary we shall ship the goods ex works at the costs of the buyer, whereby we are also entitled to ship the goods to the buyer from another location than the stated place of performance. We are at liberty to choose the transport route and the means of transport. The risk shall pass to the buyer with the hand over of the goods to the carrier, freight forwarder or other transport agent; this shall also apply if the goods are delivered by our company itself. Damages in transit and losses are to be reported to us immediately by enclosing a confirmation of damages or losses of the transport company. The damaged goods are to be kept for our disposal.

4.3 The buyer undertakes to also accept partial deliveries provided that this is deemed reasonable. Further a surplus or shortfall in deliveries are permitted up to ten percent. If a greater tolerance has been agreed or is customary for the industry this tolerance shall apply. The settlement is oriented to the actually delivery quantity.

5. TERMS OF PAYMENT

5.1 Insofar as not otherwise derived from the order confirmation payments have to be made without deduction within 30 days after the invoice date. In case of payment within 14 days after the invoice date the buyer is entitled to a cash discount deduction of 2%. For the timely receipt of payments it depends on the time when the money is received by us or the credit onto our account without reservations.

5.2 A payment by cheque or bill of exchange shall only be made as conditional payment and must not be accepted on our part. Neither shall this lead to a deferral of our receivable. The costs associated with the use of a cheque or bill of exchange shall be for the account of the buyer.

5.3 Complaints about the delivery or disputed counter-claims do not entitle the orderer to retain due receivables unless the complaint is based upon an undisputed gross defect to the delivery.

5.4 The buyer shall only be entitled to rights to offset if his counter-claims have been declared final and binding or have been recognised by us.

6. RESERVATION OF TITLE

6.1 The delivered goods shall remain our property until the full payment of all outstanding payments of the orderer. The goods which are subject to reservation of title (reserved goods) are to be stored separately from other goods stocks.

6.2 The orderer is revocably authorized to resell the reserved goods in the proper course of business. For this case the orderer hereby now already assigns all claims to which it is entitled from the resale of the reserved goods against his buyers or third parties to us – to secure all claims, which we have from the business relationship against the orderer – no matter whether the

reserved goods are resold without or after processing. The orderer is not entitled to any other disposals over the reserved goods. The orderer is revocably authorized to collect the assigned claim.

6.3 The processing of the reserved goods by the orderer shall always be carried out on our behalf, however without obliging us. The customer therefore acquires no ownership according to § 950 BGB (German Civil Code). If the reserved goods are processed with other objects which do not belong to us, we shall acquire the co-ownership to the new object in the ratio of the invoice value of the reserved goods to the invoice value of the other processed goods.

6.4 If the value of the orderer's collateral, provided by own reservation and by assignment of claim, exceeds our claims by more than 20% we shall release a part of the collateral items at the orderer's request.

6.5 If the orderer includes claims from the resale of reserved goods in a current account relationship existing with his buyers then he hereby now already assigns a recognised balance or final balance, which is produced for his benefit, in the amount to us, which corresponds with the total amount of the claims from the resale of the reserved goods which are entered in the current account relationship.

6.6 The orderer undertakes to inform us of all accesses of third parties to the reserved goods, in particular of enforcement measures or other seizures and of all damages suffered by the reserved goods immediately.

6.7 We can revoke the authorization for the resale of the reserved goods or the new object according to Subclause 5.2 and the authorization to collect the claims assigned to us according to Subclause 5.2 in case of default of payment or suspension of payment by the buyer as well as in the event of an application for the opening of insolvency proceedings or in other cases of impaired credit and trustworthiness of the buyer. In the event of the revocation of the resale or debt collection authorization the buyer undertakes to inform his end buyers of the assignment of claim to us immediately and to provide us all information or hand over documents which are necessary for the debt collection. In addition, in this case he undertakes to hand over or to assign possible collateral, to which he is entitled for claims against end buyers, to us.

6.8 The buyer undertakes to treat the reserved goods with due care and attention. The buyer undertakes to sufficiently insurance the reserved goods against fire, water and theft damages at the value as new. He hereby now already assigns his claims from the insurance contracts to us.

7. WARRANTY

7.1 The recipient of the delivery undertakes to inspect

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this immediately after receipt. Obvious defects are to be reported within an exclusion deadline of 10 days, other defects immediately. The report has to be submitted in writing. For the timely receipt of the report it depends on the time when it is received by us. All warranty rights of the buyer owing to the defect concerned shall lapse in case of a late notification of defects.

7.2 The orderer undertakes to procure the possibility for us to subsequently check the defect by returning the goods for which a complaint was made to us or sending these to a third party named by us at our request. The goods may however only be returned with our consent.

7.3 In case of a justified and timely report of defects the goods shall be exchanged or taken back against reimbursement or credit of the agreed consideration at our choice or the reduced value will be reimbursed; in addition we are also entitled to subsequent improvement. In case of shortfall in quantities we may subsequently deliver the missing quantities.

7.4 Claims for damages, e.g. owing to the breach of our duty for replacement delivery or subsequent improvement, contractual secondary obligations or a fault upon conclusion of the contract as well as illicit act are, if they are not directly due to an injury to life, the body and health or our liability according to the Product Liability Act, are excluded against us and our vicarious agents, to the extent that they are not substantiated by wilful or grossly negligent behaviour.

7.5 Insofar as we are obliged to damages within the framework of a recourse by our customer according to § 478 BGB this obligation for damages is limited according to Subclause 7.

7.6 There are no claims owing to defects if the condition which is in breach of the contract is due to the breach of operating, service and installation regulations, unsuitable or improper use, faulty or negligent handling or natural wear and tear or to interventions in the object of delivery carried out by the buyer or third parties.

8. LIABILITY

8.1 According to 6.4 a contractual or non-contractual obligation for damages shall only exist on our part as well as on the part of our employees and vicarious agents if the damages are a result of gross negligence or wilful intent. Incidentally, claims of the buyer for compensation of direct or indirect damages – no matter for what legal grounds including possible indemnification claims owing to the breach of pre-contractual duties as well as illicit act – are excluded.

8.2 UA possible statutory liability owing to the absence of a condition guaranteed by us or according to the Product Liability Act remains unaffected.

9. TOOLS

Tools which are used for producing the goods are our property. They are not to be handed over to the buyer either if the tools were specially developed or produced for the production of the goods and the buyer has to bear

the costs of the tools according to the agreements of the parties. This shall also apply to the period of time after termination of the contractual relations between the parties. We shall only use tools which were especially developed or produced for the production of the relevant goods for third parties with the buyer's consent.

10. BAN ON USE IN AEROSPACE

Our products are not determined for use in the sectors of aerospace or aviation nor in radiation sectors. Our products may not be used in these sectors. In case of a breach of the buyer of the afore-mentioned regulation the buyer has to indemnify us from damages, costs and claims. Claims for damages and reimbursement of expenses of the buyer owing to the faulty nature of our products are excluded.

11. EXPORT

The customer undertakes to only export the goods delivered by us as well as technical information received from us by complying with the relevant export provisions of his native country.

12. LONG-TERM CONTRACTS

The term of long-term contracts is 12 months. It shall respectively be extended by a further 12 months provided that it is not terminated to the end of the relevant term with a period of notice of 3 months. The termination requires a written form in order to be effective.

13. NON-DISCLOSURE OBLIGATION

Each contractual party undertakes to treat all non-obvious commercial and technical information, of which it becomes aware through the business relationship with the other party as a business secret. Advertising may only be conducted with the business relationship after obtaining the prior written consent of the respective other party.

14. PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

14.1 The place of performance for for the delivery and payment is the registered seat of the company, which is the contractual partner of the customer.

14.2 The place of jurisdiction is at our choice the registered seat of the customer or the registered seat of our company. The law of the Federal Republic of Germany shall apply under the exclusion of the provisions of the Convention of the United Nations concerning Contracts for the International Sale of Goods.

15. PARTIAL INVALIDITY

Should individual provisions of these terms and conditions or the contract be invalid this shall have no effect on the validity of the other provisions.