

General Business Terms of Langer GmbH & Co. KG

1. Area of Application

- 1.1 The terms stated below apply exclusively to all our deliveries, goods and services and are valid until disclosure of new general business terms including all subsequent business transactions. Terms that differ from ours shall not be a constituent part of the contract in case of a delivery, even if we do not explicitly voice our disagreement.
- 1.2 Technical drawings, calculations, specifications, performance figures, deadlines, measurements, weights are not binding for us, unless there exists a specific, written agreement to these issues. Every agreement that is reached through our field staff and/or other members of staff, as well as discrepancies with these terms, additions, supplements and assurances require our written confirmation to become valid.

2. Offers, Prices and Payments

- 2.1 Offers are always subject to change without notice. The agreement between contract partners comes into effect once we have emitted a written order confirmation. However, this does not come into effect until the contract partners have agreed upon every technical and commercial aspects and eventually necessary governmental or other permits have been granted.
- 2.2 Prices mentioned in our Order Confirmation, plus the official mandatory VAT, are binding. These prices are to be considered ex works and exclude packaging and freight.
- 2.3 Net value of invoices are due within 30 days of their date of emission. Invoices in default allow us to charge default interest of 5% above the value stated as basic in § 247 BGB, regardless of persisting damage. An invoice in default has the additional consequence that all outstanding debts are to be considered due for immediate payment, independent of the date of payment previously agreed upon. The same applies when the financial status of the customer shows an important deterioration or suspension of payments, especially in case of over-indebtedness and filing for insolvency related to the purchaser's assets and after public knowledge of protested checks and bills of exchange.
- 2.4 The purchaser may only apply for compensation for claims that are undisputed and legally valid. In addition, the purchaser may make a plea regarding right of retention and objection for breach of contract, only if and so far as we are responsible for a breach of obligations according to § 275 BGB (German Civil Code).

2.5 We have the right to request reasonable partial payments according to production progress.

3. Additions to an Order

3.1 Modifications to an order shall be contracted and accepted separately. Additional resulting costs shall be invoiced separately according to the Additional Order Award.

3.2 Due to additions to orders, agreed delivery periods may be suitably lengthened.

4. Intellectual Property and Secrecy

4.1 Technical drawings, calculations and other documents handed over by us remain our property and copyright and may be asked to be returned if there is no order placed.

4.2 Without our specific written consent, the contract partner is obliged to keep secrecy about documentation and information obtained from us towards third parties. Neither should documentation and information be used or allowed to be used for reverse engineering purposes.

4.3 In case we have to deliver items according to technical drawings, models or samples provided by the purchaser, he is obliged to guarantee that no industrial property rights of third parties are violated due to our production and delivery. The purchaser is obliged to exempt us from damage demands and other claims.

4.4 Our contract partners pledge to secrecy regarding all technical and commercial information, especially intentions, experiences, production, design and other details concerning business processes associated with the contract, to which the purchaser was given access during the contract or obtained. The purchaser shall not provide access to these issues to third parties, or use them for commercial applications, as long as there are no otherwise written agreements between the contract partners, even if these issues have not been classified as secret or confidential.

4.5 Moreover, our contract partners pledge to impose on their assistants, sub-contractors and their own staff, who may gain knowledge of technical or commercial secrets, the same commitment as the contract partners. This imposition shall be in written form, in accordance to the law. We may demand that our contract partner keeps the written imposition documentation. In case he does not fulfill this demand, we may at anytime reject his assistants, sub-contractors and staff.

4.6 The above mentioned pledge to secrecy continues for a period of 5 years after the end of the contractual activities. This remains valid when assistants, sub-contractors or staff retire.

4.7 Our contract partner commits to respect our patents, registered designs, copyrighted brands and know how and may only use them with our consent.

- 4.8 We retain intellectual property of all elements of our absolute ownership, even in the event of consent of use in association with a simple license. Particularly, the contract partner is forbidden to produce items that are a result of our developments, without our consent.

5. Delivery Times

- 5.1 Delivery times are only binding when denoted as such specifically and in writing. Delivery times commence as soon as the contract takes effect. If the purchaser fails to meet payments, then we are freed from the obligation to deliver while the default lasts. The delivery shall be considered fulfilled when the goods are ready for dispatch at the pre-arranged date, either at our own or our sub-contractor's premises.
- 5.2 All delivery times are under the proviso that our sub-contractors deliver in time and correct form. We will not assume responsibility for lack of delivery due to delays originated by them, unless we are facing premeditated or gross negligence.
- 5.3 We cannot assume responsibility for delayed deliveries due to acts of God and unforeseen circumstances, like e.g. problems to acquire materials, plant malfunction, labour conflict, governmental ordinances and similar reasons. The same applies for acts of God and unforeseen circumstances arising at our sub-contractors.
- 5.4 The purchaser is compelled to accept early or partial deliveries.

6. Right to withdraw from contract

- 6.1 In case of unforeseen circumstances, as mentioned in point 5.3, and provided that these have an important impact on our company and greatly modify the commercial relevance of our activity, or later production deems impossible, then the contract must be adequately adapted. Should this be economically nonviable, then we have the right to withdraw totally or partially from the contract.
- 6.2 In case of our withdrawal from the contract, the purchaser will have no right to compensation for damages if the impossibility to perform is not due to us. Should we exert the right to withdraw from the contract, then we should inform the purchaser without delay, once we have evaluated the extent of the events. This is also true if originally there was an agreement with the purchaser regarding an extension in the delivery time.
- 6.3 Any claims for damage compensation by the purchaser are limited to 10% of the value of that part of the purchase that, due to the impossibility to perform, could not be adequately installed. This limitation is not valid when premeditation, gross negligence, risk of death, bodily injury or health issues make it mandatory to assume responsibility; a change in the body of proof in detriment of the purchaser has no effect here. The purchaser's right to withdraw from the contract remains unaffected.

7. Place of fulfillment and transfer of risk

- 7.1 Place of fulfillment for every commitment of this contract, especially for deliveries and payments, is Sigmaringen.
- 7.2 The purchaser assumes the risk when goods are transported, as soon as we or one of our sub-contractors consign goods to a forwarder for delivery to the purchaser. This is also valid if we chose the forwarder or transport the goods ourselves.
- 7.3 If due to faulty instructions by the purchaser, lack of appropriate transport facilities or delays on behalf of the purchaser to perform certain activities the goods have to be placed in storage, then the purchaser assumes the risk and costs of said storage at the forwarder or our own, or the sub-contractor's premises.
- 7.4 In case that delays arise due to the purchaser the risk is transferred to said purchaser together with the notification of readiness for dispatch.

8. Warranty

- 8.1 We offer a warranty for delivered goods that depends on the type of contract signed
- 8.2 The purchaser must inspect the goods as soon as they are delivered. Evident defects must be reported in writing within a week. Other deficiencies, that cannot be found within a week, even after very careful inspection, must be reported in writing without delay once they have been found. These regulations also apply in case of too many or too few, as well as wrong deliveries. When deficiencies are reported the purchaser may retain payments, but in reasonable amounts proportional to the resulting deficiencies. The purchaser may only retain payments if deficiencies are reported or there is no possible doubt about their occurrence. If the report of deficiencies is unfounded then we have the right to claim compensation for resulting expenditure from the purchaser. When the one week period has expired, it will not be possible to claim the warranty for evident defects. When a reclamation is valid we have the right to decide if the defect will be removed by means of modification, compensation or supplementary performance/cure. We should have the opportunity to check the reported deficiency on site, either by our own staff or a representative. Without our explicit consent nothing may be altered in the deficient goods once the warranty has expired.
- 8.3 Initially we should be guaranteed the opportunity of supplementary performance/cure within a reasonable time window. If said cure is not successful the purchaser may opt between rescinding the contract or reduce payments, regardless of possible damage compensation according to point 9 of the contract.

- 8.4 Claims for damages do not apply when deviations from the agreed properties and conditions of delivered goods are insignificant, when adverse effects to usefulness are insignificant, when natural wear or damages occurring after the transfer of risk, due to erroneous or careless handling, excessive strain, unsuitable operating supplies or those resulting from special external influences that are not contemplated in the contract, as well as non-reproducible software errors. If the purchaser or third parties perform incorrect modifications or maintenance work then, again, damage claims for these and their consequences do not apply.
- 8.5 Right of recourse of the purchaser against the supplier according to § 478 BGB will be valid if and when supplier and purchaser have not reached agreements regarding legal aspects of damage claims. Point 9 (Liability) deals with the aspects of damage claims.
- 8.6 Continuing claims from the purchaser against the supplier or his sub-contractors due to material defects, different from the ones cited in point 8, are excluded. All warranties are excluded, especially when errors and damages are caused by normal wear, unsuitable handling, acts of God or intervention of third parties.
- 8.7 Damage claims for material defects prescribe after 12 months. This is not valid when laws §§ 438 paragraph 1 number 2, 479 paragraph 1 and 634 paragraph 1 number 2 BGB provide for longer terms in case of risk to life, body and health due to intentional or gross negligent violation of duty on our side and fraudulent concealment of defects. Legal regulations concerning suspension of expiry, suspension and new begin of time limits remain unaffected.

9. Liability

- 9.1 Claims for damages and reimbursement of expenses by the purchaser (from now on "claims for damages"), whatever the legal reason, particularly due to payment obligations and faulty handling are hereby excluded.
- 9.2 This is not valid in case that liability is mandatory e.g. according to the Product Liability Law, in case of premeditation, gross negligence, risk to life, body and health or in case of breach of essential contract clauses. The claim for damages for breach of essential contract clauses is limited, however, to foreseeable and contract-typical damages, provided that there is no premeditation, gross negligence but there exists liability for risk to life, body and health. There is no connection between this regulation and the modification of the burden of proof in detriment of the purchaser.
- 9.3 Provided that the purchaser has the right to claim for damages according point 9, these will prescribe as explained in point 8.7. In cases of claims for damages governed by the Product Liability Law, legal regulations for prescriptions apply.

10. Reservation of proprietary rights

- 10.1 All delivered goods remain our property until full payments of all outstanding accounts due to business transactions with the purchaser, including those resulting in the future. This also applies when individual or all payment claims are collected into a current account where the balance is stated and accepted.
- 10.2 We have the right to insure the goods to be delivered against theft, damage, fire, water and other risks at the expense of the purchaser, unless the purchaser himself arranges for insurance.
- 10.3 In case of serious breach of contract, especially regarding payments, we have the right to ask for devolution of the goods and the purchaser has the obligation to return them. When goods are returned or seized, rescission on our side will only take place if there are written stipulations to that effect. When goods subject to retention are seized by third parties, the purchaser must point out who is the owner and notify us without delay.
- 10.4 The purchaser has the right to process or reprocess delivered goods and to sell them in the course of proper business, according to the following terms: if the purchaser processes or reprocesses delivered goods we classify as producers, as defined by § 950 BGB, without being committed and acquire the property of the intermediate or end products. The purchaser is obliged to custodianship without payment. In case that the goods subject to retention are connected or processed with others (not our property), then we acquire joint ownership of the new article in a proportion given by the invoice price of the goods subject to retention and the price of the other goods. Thus emerging rights to joint ownership shall be considered as goods subject to retention.
- 10.5 The purchaser relinquishes in this moment all claims and ancillary rights that arise from the resale to a client or third parties, including the circumstance that our products are connected or processed with other products. In this case the claims from the purchaser towards the client are to be considered as legally transferred and at the value stated in the invoice for the goods subject to retention. The purchaser is authorized to settle these claims, even after the legal transfer. This authorization to collect may only be revoked when the purchaser does not meet his payment obligations in an orderly fashion. Our entitlement to collect outstanding monies ourselves are not affected by this. However, we pledge not to collect legally transferred claims as long as the purchaser pays punctually what is due to us. But the purchaser is compelled to name the third party debtors at our demand and notify them of the legally transferred claims. Monies collected by the purchaser are to be transferred to us without delay in case that there are open invoices from us.
- 10.6 We commit ourselves to release the legally transferred claims and/or ownership or part ownership, at our discretion, arising from processing our delivered goods, and as a consequence of the purchaser's desire, insofar as their value exceeds by more than 15%

the amount constituted by secured claims. Eventual access of third parties to legally transferred claims must be reported immediately to us by the purchaser.

11. Commercial Property Right and Copyright: Defects of Title

11.1 Unless otherwise agreed, we are obligated to deliver the goods free of commercial property rights and copyrights of third parties (hereinafter: commercial property rights) only in the purchaser's country. If a third party raises justified claims against the customer due to the violation of property rights by deliveries made by us in accordance with the contract, then we shall be liable to the purchaser within the period specified in point 8.7 as follows:

- a) We shall, at our discretion and expense, either obtain a right of use for the deliveries in question, modify them so as not to infringe the property rights, or change them. If this is not possible for us on reasonable terms, the purchaser shall be entitled to the statutory right of withdrawal or reduction.
- b) Our obligations regarding compensation for damages are specified in point 9. (c) Our above mentioned obligations apply only if the purchaser informs us immediately and in writing about claims presented by third parties, or will not recognize a violation and maintain reservation about every control measure and settlement negotiations. In case the purchaser suspends the use of the delivered goods in order to minimize damages or other important reasons, then he is obliged to notify the third parties that said suspension does not imply recognition of property rights violations.

11.2 Claims of the purchaser are excluded insofar as he is responsible for the infringement of property rights.

11.3 Claims by the purchaser are also excluded if the infringement of property rights is caused by special requirements of the purchaser, by an application not foreseeable by us or by the purchaser changing the order or using it together with products not supplied by the supplier.

11.4 In the case of infringements of property rights, the provisions of point 8.2, 8.3 and 8.5 shall apply. In all other cases the claims of the purchaser are regulated in sub-point 1 a).

11.5 In the case of other defects of title, the provisions of point 8 shall apply accordingly.

11.6 Further or other claims of the purchaser against us and our sub-contractors due to a legal defect are excluded.

12. Liquidated damages

12.1 If the purchaser terminates the contract before completion then we are entitled to demand 10% of the total value of the order as damage compensation. The purchaser has the explicit right to prove that there are smaller damages or lesser value deterioration.

13. Governing Law, Place of Jurisdiction, Partial Nullity

- 13.1 For all legal issues between us and the contract partner, German Law applies.
- 13.2 The place of jurisdiction for all aspects concerning the contract, even in the case of order of payment procedures, is Sigmaringen. This is valid if the contract partner is a registered trader or a person considered as such according to §38 ZPO.
- 13.3 In case one of the points in the contract is void or will be void, this circumstance does not affect the validity of the rest of the points. Clauses of the contract considered illegal shall be replaced with clauses that follow the letter of the law in an economic sense and as soon as possible. The same applies for gaps.

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