

General Terms of Business

of Petersen Service GmbH

Kreuztaler Strasse 7, 57250 Netphen
hereinafter known as the Contractor.

§ 1. General

The following contract provisions shall be exclusively applicable for business relationships between Petersen Service GmbH and the Customer. Contrary terms issued by the Customer shall not be acknowledged by Petersen Service GmbH unless it has expressly agreed to them in writing. Agreements which differ from these General Terms of Business must be agreed in writing to be valid.

The latest version shall be published at www.petersenservice.de.

§ 2 Quotation – Quotation documents

(1) Unless specified to the contrary, our quotations shall be non-binding. The Contractor reserves ownership of and copyright to illustrations, drawings, calculations and other documents. This shall also apply to any written documents which are marked as "confidential". Before they are disclosed to third parties the Customer shall require the express written consent of the Contractor. On request the Customer must return these documents in full to the Contractor without retaining copies.

§ 3 Prices

(1) All prices shall be understood in Euros. The prices apply to the goods and services set out in the order confirmation. Additional or special services shall be charged separately. Initial samples and test reports shall also be charged separately. If no price agreements specific to a quotation or for a specific customer have been made, orders shall be completed on the basis of the list prices in force on the date of the order confirmation or at cost. Statutory value-added tax is not included in the prices. This shall be shown separately in the invoice at the statutory rate.

(2) The Contractor reserves the right to increase prices as a result of possible cost increases if a period of more than four months passes between the conclusion of the contract and the delivery. In this case the Customer shall be entitled to cancel the contract.

(3) If the order confirmation does not specify otherwise, the Contractor's "ex-works" (EXW) prices shall apply, excluding packaging, freight, carriage, duties and excluding insurance. Packaging shall be charged separately.

§ 4 Payment - Default

(1) Unless specified to the contrary in the order confirmation or invoice, payment shall be due immediately on receipt of the invoice on a strictly net basis.

(2) The deduction of discount shall require a special written agreement.

(3) Payment must be made exclusively by means of a bank transfer to a bank account specified by the Contractor. Payment must settle the account receivable in full. Any fees and deductions must be paid by the Customer. Bills of exchange and cheques shall not be accepted as methods of payment.

(4) If the Customer is in default it must pay the Contractor interest on the account receivable during the period of default at a rate of 5% over the relevant base rate pursuant to § 247 Para. 1 of the German Civil Code. The interest rate shall be 8% above the relevant base rate for legal transactions in which a consumer is not involved. The right is reserved to provide evidence demonstrating that the default damage was higher or lower. The Contractor shall be entitled to charge 10 Euros for each payment reminder. The right to charge additional fees is reserved.

Before due monies have been paid, the Contractor shall not be obliged to deliver any further goods unless the Customer provides security for them. If a payment is missed at the fault of the Customer, all outstanding invoices shall become payable immediately.

(5) The Customer shall only be entitled to set off payments if its counter-claims have been established by a court of law, are undisputed or have been acknowledged by the Contractor. In addition it shall only be authorised to exercise a right of retention if its counter-claim is based on the same contractual relationship.

(6) If the financial situation of the Customer deteriorates badly after the conclusion of the contract and if this means that its ability to pay is endangered, the Contractor shall be entitled to refuse to deliver the goods or complete the service until payment has been made or security for it has been provided.

(7) The Contractor shall be entitled to assign accounts outstanding from the Customer to third parties or to have them collected.

§ 5 Subject of the contract

(1) Information provided by the Contractor relating to dimensions, weights, capacity or material is provided with care but it remains non-binding unless it is expressly described as binding. A guarantee shall only be provided if this has been individually agreed for the contract in writing.

The same shall apply to all design details and suggestions. We reserve the right to make modifications as a result of technical development.

(2) The properties of the goods required under the contract shall be based exclusively on written agreements. Ideas declared unilaterally by the Customer shall not be given consideration.

(3) Models, tools and other equipment for the completion of an order shall remain the property of the Contractor at all times even if part of the cost of them is charged.

(4) The Contractor shall be entitled to have all quoted and ordered goods and services manufactured or finished by third parties, suppliers and service providers. There shall be no necessity to inform the Customer of this. No consent or special approval from the Customer must be obtained from the Contractor for this.

(5) Equipment and information provided by the Customer for the fulfilment of the subject of the contract (drawings, plans, models, electronic data, production and measuring equipment, devices, material, programs, tools, inspection and testing equipment, media, packaging, etc.) shall be supplied and returned at the expense of the Customer. The Contractor shall only be liable for damage if evidence can be provided that it acted culpably. The Contractor shall not be liable for signs of wear; any such wear shall be borne by the Customer. The Customer must carry out correct inspections, maintenance and calibration at its own expense for equipment provided which requires regular inspection and calibration. The Customer shall bear full responsibility for the equipment it provides being complete, correct and of good quality.

(6) Even if the Contractor carries out regular quality controls, the Customer shall not be exempted from its responsibility for quality to its own customers or to consumers.

(7) The Customer undertakes not to use or sell the subject of the contract in such a way that it breaches the Weapons of War Control Act or other trade restrictions.

§ 6 Lead time – Delivery – Late delivery

(1) The latest version of Incoterms 2000 shall apply to the wording of the trade clauses.

(2) Shipment shall be at the expense and risk of the Customer.

(3) The lead time specified by the Contractor shall not start unless all commercial and technical matters have been clarified between the parties to the contract.

(4) Compliance with the duty to supply shall also require the prompt and correct fulfilment of the duties of the Customer such as the provision of the required official certificates or permits or the payment of an agreed deposit. If this is not the case the lead time shall be extended by a reasonable period of time. We reserve the right to plead that the contract has not been fulfilled.

(5) The delivery deadline shall be deemed to have been observed if the goods have left the Contractor's plant before the deadline has elapsed or notification that they are ready for shipment has been provided. If an acceptance procedure must be completed, the date of the acceptance procedure shall be decisive, or alternatively notification that the goods are ready for the acceptance procedure – unless the Customer is justified in refusing to accept the goods. The delivery deadline shall also be deemed to have been observed if notification is sent to the Customer that as a result of technical or process difficulties or due to delays by third parties, the delivery of the goods will be delayed by a maximum of 14 days.

(6) If the Customer is in default with the acceptance procedure or if it culpably breaches its duty of cooperation, the Contractor shall be entitled to demand compensation for damages it suffers as a result, including any additional costs. We reserve the right to lodge additional claims.

(7) If the requirements set out in Para. (6) apply, the risk of accidental loss or the accidental deterioration of the goods shall be transferred to the Customer at the time when the Customer becomes in default with the acceptance of the goods or payment.

(8) The Contractor shall be liable for late delivery under the statutory provisions if the contract on which the situation is based is a fixed transaction in the sense of § 323 Para. 2 No. 2 of the German Civil Code or of § 376 of the German Commercial Code. It shall also be liable under the statutory provisions if, as a result of a delay in delivery for which the Contractor is to blame, the Customer is entitled to claim that it no longer has an interest in the fulfilment of the remainder of the contract.

(9) The Contractor shall also be liable under the statutory provisions if the late delivery is due to a malicious or grossly negligent breach of contract by it. If the late delivery is not due to a malicious breach of contract by the Contractor, its liability for compensation shall be limited to the typical foreseeable damage.

(10) The Contractor shall also be liable under the statutory provisions if the late delivery for which it is responsible is due to the culpable breach of a major contractual duty; in this case, however, the compensation shall be limited to the typical damage which could be foreseen.

(11) Other statutory claims and rights of the Customer are reserved.

(12) If "cost and freight" (CFR) delivery has been agreed, the Customer must ensure that the receiving point is easily accessible by the means of transport used and suitable equipment (for example a crane, forklift truck, etc.) is available.

(13) Events beyond the decision-making and other influence of the Contractor or other events which make prompt delivery difficult and for which the Customer is also not responsible, for example war and states of emergency, flooding, embargo, transport problems, labour dispute, internal company problems, lack of material or energy and the like, shall entitle the Contractor to a reasonable delay in delivery without the Customer acquiring any claims against us as a result. If the obstacle to fulfilment lasts for more than three months, both the Customer and the Contractor shall be entitled to cancel the contract.

§ 7 Transfer of risk - Packaging

(1) The risk shall be transferred to the Customer when the goods have been placed ready for loading, even if delivery is made in consignments or the Contractor has also taken responsibility to provide other services such as shipment costs or delivery. If an acceptance procedure must be carried out

this shall be decisive for the transfer of risk. It must take place immediately on the date of the acceptance procedure or alternatively after notification that the goods are ready for the acceptance procedure. The Customer may not refuse to carry out the acceptance procedure if the goods are suffering from a minor defect.

(2) If the shipment or acceptance procedure is delayed or not carried out as a result of circumstances for which the Contractor is not responsible, the risk shall be transferred to the Customer on the date on which notification is given that the goods are ready for shipment or for the acceptance procedure.

(3) Delivery in consignments shall be permitted if it is reasonable to expect the Customer to accept them.

(4) The type of packaging, method of shipment and route shall be determined by the Contractor unless otherwise agreed.

(5) Unless specified to the contrary in the order confirmation, delivery "ex-works" (EXW) shall be agreed.

(6) Transport and all other disposable packaging as specified in the Packaging Regulation shall not be returnable to the Contractor. Reusable packaging such as pallets, grid and Schäfer boxes as well as special packaging shall remain the Contractor's property. This must be returned to the Contractor in perfect condition at the expense of the Customer or must be changed on delivery. The Customer undertakes to dispose of packaging at its own expense.

(7) If the Customer so desires, the Contractor shall cover the goods by transport insurance; the Customer shall pay any costs incurred as a result.

§ 8 Defects

(1) Claims for defects by the Customer assume that it has properly satisfied its duties to inspect the goods and lodge complaints as set out in §§ 377 and 381 II of the German Commercial Code.

The goods delivered by the Contractor shall be regarded as having been approved if no complaint is received by the Contractor in writing without delay, but at the latest within 14 days of the delivery of the goods or, if the defect was not obvious in the careful inspection carried out straight away, within 14 days of the discovery of the defect.

(2) Final fulfilment in the event of a defect for which the Contractor is responsible shall take the form of refinishing or delivery of new perfect goods at the Contractor's discretion. In the event of final fulfilment the Contractor undertakes to pay all the costs required to rectify the defect, in particular transport, travel, labour and material costs unless they are increased by virtue of the fact that the goods have been transported to a location other than the place of fulfilment and the Contractor therefore incurs disproportionately high costs in the sense of § 439 Para. 3 of the Civil Code.

(3) The Customer shall be entitled to cancel the contract within the framework of the statutory regulations if the Contractor (taking into account the statutory exceptions) fails to meet a deadline set by the Customer for the rectification work or delivery of goods to replace the defective goods. If the goods are only suffering from a minor defect the Customer shall only be entitled to reduce the agreed payment.

In particular no warranty shall be accepted in the following cases:

Unsuitable or unintended use, incorrect assembly by the Customer or third parties, natural wear and tear, incorrect or negligent handling and incorrect maintenance – as long as these cases are not the responsibility of Contractor.

(4) We shall only accept liability for ourselves and our agents due to the breach of contractual or non-contractual duties in the event of malice or gross negligence, restricted to the typical damages which could be foreseen when the contract was concluded.

(5) The above exclusion shall not apply to cases of death, physical injury or health impairment, in the event of a culpable breach of major contractual duties and in cases of binding liability under the Product Liability Law.

(6) Liability due to culpable death, physical injury or health impairment shall remain unaffected; this shall also apply to cases of binding liability under the Product Liability Law.

(7) Unless specified to the contrary above, liability shall be excluded.

(8) The statute of limitations for defect claims shall be 12 months starting from the transfer of risk; an exclusion period of 18 months shall apply to all other claims which starts as from the time when the damage and the identity of the person responsible for the damage comes to light.

§ 9 Overall liability, limitation of total

(1) Additional liability for compensation other than that set out in § 8 shall be excluded – without any consideration as to the legal nature of the claim that is lodged. This shall particularly apply to compensation claims for culpability when the contract was concluded, for other breaches of duty or as a result of tortious claims for compensation for property damage pursuant to § 823 of the Civil Code.

(2) If liability for compensation for the Contractor is excluded or limited, this shall also apply to the personal compensation liability of its staff, employees, representatives and agents.

(3) Liability for all damage shall be limited to a maximum amount of EUR 1,000,000 per claim. This shall not apply if the Contractor is liable for malice.

§ 10 Reservation of title

(1) The supplied goods shall remain our property until all payments have been made in full and all claims from the business relationship have been settled.

(2) The Customer shall be authorised to dispose of the purchased goods within the realms of its normal business practice. The Customer hereby

assigns its claims against third parties from the resale of the goods in full or up to the amount of our share of the co-ownership to us by way of security. It shall be entitled to collect these claims for our account until further notice or until such time as it ceases making payments to us.

(3) The Customer must notify us of any seizures or other intervention by third parties.

(4) The sale or reworking of the purchased goods by the Customer shall always be carried out on our behalf. If the goods purchased from us are processed with other goods which do not belong to us, we shall acquire co-ownership of the new goods proportionate to the value of the purchased goods to the other processed goods at the time of the processing work.

(5) The goods and the claims which take their place must not be pledged to third parties nor title to them transferred or assigned by way of security until our claims have been settled in full.

(6) We undertake to release the securities assigned to us if their value exceeds the claims which they secure (if they have yet to be settled) by more than 20%.

§ 11 Confidentiality

(1) The Contractor shall be entitled without incurring any damages to disclose the information and data supplied by the Customer to third parties if this disclosure is necessary for the provision of the service, for collection purposes or for the assignment of a claim.

(2) Para. 1 shall not rule out the possibility of an existing or future confidentiality agreement.

§ 12 Place of jurisdiction – Place of fulfilment - Severability

(1) Netphen shall be agreed as the place of fulfilment.

(2) Netphen shall be agreed as the place of jurisdiction.

(3) The law of the Federal Republic of Germany with the exclusion of all international and supranational (contractual) regulations, particularly the UN Convention on Contracts for the International Sale of Goods, shall apply to the legal relationship between the parties to the contract.

(3) If individual provisions in these terms of business should be or become fully or partly invalid, this shall not affect the validity of the other part or other provisions. The invalid provision or the invalid part of the provision shall be replaced by the legal provision which comes closest to the purpose of the invalid provision.