

**General Terms and Conditions of Sale and Supply of Schletter GmbH (hereinafter referred to as "Schletter"), Gewerbegebiet an der B15, Alustrasse 1, D-83527 Kirchdorf/Haag i.OB.**

1. Validity, differing terms and conditions of business, authority to represent
- 1.1 These general terms and conditions of business shall only apply in relation to entrepreneurs, public legal entities and public special funds.
- 1.2 The contracting parties are in agreement that the general terms and conditions of business of Schletter shall by way of current valid version form the basis of all future purchase contracts and contracts for work and materials concluded between them within the framework of their business relationship. Any subsequent amendments to the general terms and conditions of business shall become valid if it is documented that the customer has been informed thereof in text form and does not object to such notification within three weeks.
- 1.3 Any terms and conditions of business of the customer deviating from or supplementing these general terms and conditions of business shall not be valid. They shall only become effective if expressly confirmed in writing by Schletter. This shall also apply if Schletter, in the knowledge of divergent terms and conditions of business of the customer, executes delivery or other performance without proviso.
- 1.4 Schletter's employees shall not be entitled to make any subsidiary agreements extending beyond the written contract or which amend or waive these general terms and conditions of business. The authority to represent held by the managing directors and holders of general commercial power of attorney [*Prokuristen*] in a number bestowing entitlement to represent shall not be affected.
2. Offers, conclusion of contract, commercial property rights
- 2.1 Offers by Schletter shall be subject to confirmation. A contract shall only come into being upon confirmation from Schletter in text form.
- 2.2 Schletter shall retain its ownership rights, copyright, registered-design rights and other property rights in all illustrations, costings, drawings, drafts, designs, tools and other documents. The customer shall only be permitted use within the framework of the contractual object. The customer shall not be permitted any further use, in particular reproduction, onward transmission to third parties or other commercial use.
- 2.3 If the customer supplies any illustrations, costings, drawings, drafts, designs or other documents, it shall be liable in relation to Schletter to the effect that use of the documents does not infringe any commercial property rights, in particular patents, registered designs, copyright or other rights of third parties. The customer indemnifies Schletter against claims of third parties in respect of such violations of law.
3. Prices, payment terms
- 3.1 All prices shall be ex works plus packaging and the respectively applicable statutory value added tax.
- 3.2 The transfer or delivery of goods and services shall in principle take place against advance payment; delivery against invoice shall however be subject to a successful credit check. Unless otherwise agreed, invoices from Schletter shall be due for payment immediately upon receipt and are payable by the customer within ten days from the date of invoice without deduction.
- 3.3 If the customer is in default with its payment obligations, then Schletter shall be entitled to charge the customer for each reminder a reasonable fee in the sum of at least EUR 5,00, unless the customer shows that the costs actually incurred are lower. If due dates are exceeded or in the event of extension of time for payment, Schletter shall be entitled to demand interest on sums in arrears and moratorium interest in the annual sum of 8 percentage points above the respective base rate pursuant to Section 247 of the German Civil Code [BGB].
- 3.4 If the customer is in arrears with payment, notwithstanding further claims and rights, Schletter shall be entitled to serve extraordinary notice of termination in respect of any debt-extension agreement and to claim immediate payment of all amounts receivable.
- 3.5 If the customer does not comply with its payment obligations despite a reminder, suspends making payments or a bank fails to honour a cheque or a debit due to insufficient funds, Schletter may claim immediate payment of all existing amounts receivable.
- 3.6 Schletter further reserves the right, in order to secure the credit risk in an individual instance, to exclude certain types of payment and to execute requested deliveries only in return for advance payment, cash on delivery or immediate payment upon delivery or transfer. If, further to conclusion of contract, facts shall become known which give rise to objective doubts as to whether the customer will fulfil the contract in accordance with its duties, such as for instance due to insolvency or repudiation, Schletter shall be entitled to demand prepayment or corresponding security and in the event of refusal to withdraw from the contract.
- 3.7 Schletter shall be entitled to assign the claims arising from the business association.
4. Offsetting, right of retention
- 4.1 The customer shall only hold offsetting rights in so far as its counterclaim has been established res judicata or acknowledged by Schletter.
- 4.2 The customer may only base any right to refuse payment or right of retention on claims arising from the same contractual relationship.
- 4.3 Any assignment of claims shall only be permitted with the prior written consent of Schletter.
5. Delivery, reservation of self-supply, default, force majeure, part performance
- 5.1 Adherence to agreed delivery dates shall require that the customer fulfils in a proper and timely fashion all obligations incumbent upon it.
- 5.2 The right of correct and timely self-supply is reserved.
- 5.3 If the customer is in default in terms of formal acceptance, or if the customer culpably breaches other duties of collaboration, then Schletter shall be entitled to demand indemnity for any losses suffered in this regard, including any additional expenses. The right to assert further claims or rights remains reserved.
- 5.4 In so far as the preconditions of clause 5.3 are given, the risk of any destruction or deterioration of the item purchased shall pass to the customer at such time as the latter shall be in default either in terms of formal acceptance or as debtor.
- 5.5 Schletter shall be liable according to the rules of the law in so far as the underlying purchase contract is a fixed transaction within the meaning of Section 286 (2) No. 4 of the German Civil Code [BGB] or Section 376 of the German Commercial Code [HGB]. Schletter shall also be liable under the terms of the law in so far as, as a consequence of delivery default attributable to Schletter, the customer is entitled to assert that it no longer has any interest in further contractual fulfilment.
- 5.6 Schletter shall further be liable according to the rules of the law in so far as delivery default is based on an intentional or grossly-negligent breach of contract attributable to Schletter; fault on the part of its representatives or vicarious agents shall be attributed to Schletter. In so far as delivery default is based on a grossly-negligent breach of contract attributable to Schletter, the latter's liability for damages shall be limited to such loss as is predictable and would typically be incurred.
- 5.7 Schletter shall further be liable in the event of delivery default for each full week of default within the framework of a flat-rate default indemnity in the sum of 0.5% of the consignment value, but by way of maximum no more than 5% of the consignment value.
- 5.8 The customer's further statutory claims and rights remain reserved.
6. Transfer, transfer of risk, transportation
- 6.1 Unless otherwise agreed in an individual instance, delivery shall take place ex works in Haag (Incoterms 2000).
- 6.2 In so far as delivery is made to another place at the request of the customer, this shall be at the risk and for the account of the customer. Any instructions as to the type of despatch must be notified in writing by the customer to Schletter on a timely basis. They shall only be binding upon Schletter if confirmed by Schletter in text form.
- 6.3 The risk of destruction and deterioration shall pass to the customer in the case of delivery ex works as soon as the item purchased has been made available to the customer. Otherwise, the risk of destruction and deterioration shall pass to the customer upon transfer of the item purchased, and at the latest upon transfer of the item purchased to the forwarding agent. This shall also be the case if part performances are rendered or Schletter has assumed additional performances, such as transportation.
- 6.4 Schletter shall only take out transport insurance upon specific instructions and at the cost of the customer.
- 6.5 With regard to the return of packaging, separate agreements shall apply.
7. Retention of title
- 7.1 Schletter shall retain ownership of the item purchased until the receipt of all payments arising from the business relationship with the customer. In the event of conduct in breach of contract by the customer, in particular in the case of payment default, Schletter shall be entitled to take back the item purchased. Taking back of the item purchased by Schletter shall constitute withdrawal from the contract. Schletter shall be authorized further to taking back of the item purchased to sell the same, and the proceeds of sale shall be set against the customer's liabilities – less reasonable costs of sale.
- 7.2 The customer shall be under a duty to treat the item purchased with care; in particular, it shall be under a duty to its own expense to insure the item adequately in the sum of its value as well against fire and water damage and theft. In so far as maintenance and inspection work is required, the customer must conduct the same at the due time at its own expense.
- 7.3 In the case of attachment or other encroachment by third parties, the customer must inform Schletter immediately in writing so that Schletter can institute court proceedings pursuant to Section 771 of the German Code of Civil Procedure [ZPO]. In so far as the third party is not in a position to repay to Schletter the court and out-of-court costs of proceedings pursuant to Section 771 of the German Code of Civil Procedure [ZPO], the customer shall be liable for the loss incurred by Schletter.
- 7.4 The customer shall be entitled to sell on the item purchased in the context of ordinary business dealings; however, it hereby assigns to Schletter all claims in the sum of the final invoice amount (including VAT) of our claim, which shall accrue to the customer from onward sale against its purchasers or third parties, irrespective of whether the item purchased has been sold on with or without further processing. The customer shall retain authority to collect this claim also further to assignment. The authority of Schletter to collect the claim itself shall not be affected. Schletter

Dated June 2008