

I. Validity

The following standard terms of sale and supply shall apply, except where otherwise agreed in writing in an individual case, to all present and future transactions between us and the customer. This also applies even if we no longer separately refer to the application of these standard terms of sale and supply. We hereby expressly reject any terms of business of the customer, regardless of whatever type, which are at variance with these standard terms of sale and supply and any such terms of business of the customer shall not become the subject-matter of a contract even if we do not object to them. Special agreements require the written consent of our employee who is authorised to give such agreement.

II. Conclusion of contract

1. Our offers are not binding. Even on the basis of an offer made by us, we are only bound in the event of an order if we confirm it in writing. We retain the right to accept only in part offers which are made to us and/or orders given to us. Our confirmation of order is authoritative for these purposes. The latter shall be valid provided there is no objection to it within three working days. Samples for approval are not binding.
2. Side agreements and amendments require written confirmation from us.
3. Legally significant declarations and notices, which the customer has to give to us or to third parties, must be made in writing.

III. Item supplied

Statements in respect of the goods and about the performance of items to be supplied by us are only binding on us if they are expressly confirmed by us in writing. In the event of doubt, the statements in our written confirmation shall apply. We reserve the right to make artistic and structural changes which we consider appropriate due to technical progress or at our discretion. We also reserve the right to supply, at variance with our order confirmation, a surplus quantity or a short quantity of items to be supplied by us of up to 10% for production reasons and to invoice the items accordingly. However, we are not entitled to make artistic and structural changes or to supply a short quantity if this is detrimental to the fitness of the item supplied for the intended purpose which has been communicated to us.

IV. Price

The prices apply ex works including loading at the factory but excluding packaging and unloading. Turnover tax, in the statutory amount at any given time, is added to the prices in Germany.

V. Payment

1. The Payment shall be made with a 2 % discount for cash payment within 8 days or (in each case calculated from the date of the invoice) without deduction for payment within 30 days (date on which payment Standard terms of sale and becomes due).
2. We retain the right, in the event of payments made after the date on which payment becomes due, to charge due date interest in the sum of 8 % above the German Federal Bank's base rate. The statutory provisions shall apply in relation to claiming default interest and/or to claiming loss due to delay in performance. The right to claim more extensive loss due to delay in performance is unaffected by this provision. We retain the right to allocate payments received to settle the oldest account receivable plus the default interest which has accrued in relation to it and the costs which have been incurred.
3. If the customer is in arrears in relation to a payment which is due or if we have justified doubts about the customer's creditworthiness, we may, subject to the end of the credit period, demand cash in advance in relation to deliveries which are still outstanding. In addition, we may withdraw, in whole or in part, from all existing contracts. The delivery period for all goods which have not yet been delivered shall be extended until payment in full. We shall also be entitled to demand security which we consider to be adequate for our accounts receivable. If the customer does not provide such security, we may immediately accelerate the maturity of all of our accounts receivable.
4. The customer shall only be entitled to set-off claims against our claims for payment or to exercise rights to refuse performance until counterperformance is effected, if its claims against us are undisputed or have been finally determined by a court and are non-appealable.

VI. Default

In the absence of special agreements, the customer shall be in default 10 days after exceeding the credit period specified by us.

VII. Delivery period

1. We constantly strive to comply with the delivery periods and dates stated in an order. Statements we make as to delivery and performance periods are essentially only guidelines and consequently are not binding on us. This shall not apply if we have expressly confirmed these dates as being binding delivery dates. Three weeks after such a guide date has not been met, the customer may set us an appropriate delivery deadline in writing. Only after this deadline has expired, shall the customer be entitled to set us an additional period of time with an indication that it will refuse to accept the goods after the expiry of the additional period of time.
2. The customer shall only have claims for compensation in respect of delay in delivery if our statutory representatives or managerial staff caused the delay intentionally or as a result of gross negligence. In the event of force majeure, industrial action, actions taken by authorities, operational breakdown which is not due to our fault or traffic hold-ups, fire, flood, water damage, lack of energy supply or lack of raw materials, the delivery period and/or the additional period of time shall be extended at once for the duration of the interruption concerned.
3. Compliance with a binding delivery date stated by us shall be subject to correct and punctual delivery by our suppliers. We will inform you as soon as possible of delays of this type which become apparent.

VIII. Packaging, supply, dispatch, passing of risk

1. The choice of packaging material and the packaging shall be made at our discretion. The supply shall be made on the basis of Incoterms 2000 EXW at our production plants in Bahnhofstraße 14, 74936 Siegelsbach and/or Mann & Schröder-Straße 1, 74928 Hüffenhardt. The risk shall pass to the customer regardless of whether we invoice the customer for the costs of the transportation and regardless of whether we have appointed the carrier. If we appoint the carrier, then the selection of the carrier shall be made to the best of our judgment.

2. The supplier undertakes to take out the insurance which the customer requests at the customer's cost.
3. In the event that dispatch or acceptance of the goods is delayed or does not occur as a result of circumstances which are not attributable to the supplier, the risk passes to the customer from the day of notification of readiness for dispatch or the day of notification of readiness to accept the goods respectively.
4. Part deliveries and advance deliveries are permitted provided this is reasonable for the customer.
5. The customer must take delivery of goods which have been delivered even if they have minor defects. The goods which have been delivered must be accepted immediately on delivery. If this does not happen, after the expiry of an additional period of one week set for acceptance, we can, at our option, either demand the immediate payment of the purchase price or withdraw from the contract or demand damages.
6. The customer must only acknowledge receipt of the goods on the delivery notes accompanying the goods or respectively on the shipping documents of parcel services or other transport businesses, with a stamp, date of receipt and signature or, where available, electronically.

IX . Retention of title

1. The goods shall remain our property until full payment of all of our claims arising from the business relationship with the customer, including ones arising in the future and/or until the encashment of all means of payment connected with the supply of the goods. Means of payment are encashed when they are irrevocably credited to our account. For running accounts, the retention of title shall be deemed to be security for our claim for the balance.
2. Whilst it is a trader, the customer shall be authorized to sell our property in the ordinary course of business, however only subject to its own retention of title. This authority shall expire, if the customer defaults in making a payment arising from the business relationship with us or if the customer agrees with his clients that the

account receivable is not assignable. Goods which are subject to our title may not be pledged or transferred by way of security. The customer's accounts receivable arising from supplies to third parties are assigned to us now with all ancillary rights, regardless of whether our goods are supplied on their own or together with other items. If they are supplied with other items, the account receivable shall be assigned to us in the amount of the proportion of the value of our goods. If an agreement on a current account has been reached between the customer and its client, the balance in favour of the customer at any given time is hereby assigned to us up to the amount of our outstanding invoices. In the event of a re-sale, the customer shall, at any time and at our request, be obliged to give us the name and address of the client; the claims arising from bills of exchange accepted by the customer on account of or in lieu of payment are hereby assigned to us now. The customer keeping the bill of exchange in safe custody for us shall be substituted for the surrender of the bill of exchange. The accounts receivable which are assigned to us serve as security for all our claims, including those which arise in the future.

3. The retention of title covers the full value of products which are created by means of processing, mixing or combining our goods. Work on the goods and processing of them is always carried out for us and subject to the exclusion of those working on or processing the goods acquiring title under § 950 of the German Civil Code ('BGB'), but without putting us under any obligation. If the goods are mixed, combined or processed with other items, then provided that we have not become co-owner of the new object anyway according to the proportion of the value of the goods subject to the retention of title (cost price) to the value of the other goods at the time of the mixing, combining or processing, the customer now hereby assigns to us its ownership or coownership rights and its right of possession in relation to the new entity and shall keep it in safe custody for us.
4. In the event of insolvency proceedings, the customer shall be obliged to make the goods distinguishable to any third party as our property by labelling them or by some other means. In the event that the customer applies for insolvency proceedings itself, this must be done prior to making the application, in the event of a creditor's application, it must be done immediately after the hearing of the debtor (the customer). The same applies in relation to third parties' steps to levy execution on the goods by seizing them. If such an event occurs, we must be informed immediately by telephone and then in writing. While we still have accounts

receivable due to us, we are, at any time, entitled to demand from the customer information as to which goods which are subject to retention of title are still in its possession and where they are located. In addition, the customer shall be obliged to notify us immediately if the place where the goods are kept in safe custody is changed, giving details of the new place where there are being kept in safe custody. We are also entitled to inspect these goods at any time at the place where they are kept. In the event that the customer's conduct is in breach of contract, in particular where the customer defaults on payment, we are entitled, after a demand for payment, to withdraw from the contract. The customer shall then be obliged to deliver up the goods. Due to the retention of title we can only demand the return of the item supplied if we have withdrawn from the contract. The right to demand damages for failure to fulfil the terms of the contract shall be unaffected by the withdrawal from the contract. However, we will try to sell the goods taken back at the best possible price. The sale proceeds will be deducted from our claim for damages.

5. In all cases, we shall be entitled to claim our costs for taking the goods back as a lump sum of 10 % of the net invoice sum in respect of the goods taken back and a further 10 % as lump sum damages, without prejudice to our right to prove higher costs and/or higher losses. The customer retains the right to prove a lower actual decrease in value and lower costs for taking the goods back.
6. The customer shall bear the risk in respect of the goods supplied by us and shall be obliged to keep them carefully in safe custody and to insure them adequately in respect of loss (theft, water, fire e.t.c.). It hereby assigns to us in advance the claim against the insurer in the event of a loss, being a first-ranking portion in the sum of the purchase price of the goods supplied by us which are subject to the retention of title. We shall be obliged, at the customer's request, to transfer the title which we have retained or have a right to or other means of security, if, and to the extent that our security exceeds the total amount of our claim at any given time by 50 %.

X. Re-sale

The indirect and direct sale of our products abroad is only permitted with our express approval.

XI. Duty to notify defects, claims for defects and packaging

1. Immediately after delivery, the customer must carefully inspect the goods and notify us fully about any defect. Differences in the quantity supplied should be indorsed on the delivery notes or shipping documents (see Clause VIII(6)). Defects in the packaging shall be disregarded provided that they do not detrimentally affect the goods' fitness for purpose. The notice of defect must be given immediately in writing. Later notices of defects which could have been discovered on careful inspection on receipt of the goods shall be disregarded and shall not establish any claims for the customer. Defects which could not be discovered despite careful examination must be notified to us in writing immediately on discovery. In these circumstances too, failure to immediately give notice of the defect leads to the notice of defect being disregarded and the loss of all claims. Our employees are not authorised to accept notices of defects made orally or by telephone. Claims for defects do not exist in relation to merely immaterial deviations from the agreed characteristics or in relation to merely immaterial damage to the goods' fitness for use.
2. Where there are justified notices of defects we shall perform the warranty obligations on the basis of the statutory provisions. In each case we shall have the right to choose between remedying the defect and re-supplying the goods. On performing the warranty obligations, the title to the defective item is transferred to us. The limitation period commences on transfer to the customer. In the event of supplementary performance the limitation period shall not cease to run and shall not be interrupted.
3. Any more extensive claims for damages due to defects shall be governed by Clause XII (Extent of liability) of these standard terms of sale and supply.
4. If supplementary performance fails, the customer shall have the right to a reduction in the purchase price or to withdraw from the contract.

XII. Extent of liability

1. Claims for damages and for reimbursement of expenses by the customer against us, our organs, statutory representatives and/or vicarious agents (hereinafter: 'claims for damages'), for whatever reason, in particular due to the breach of the relationship under the law of obligations and/or arising from tort are excluded.

That does not apply where intention or gross negligence is imputed to us, our organs, statutory representatives and/or vicarious agents and/or where fundamental contractual duties are breached. In the event that there is liability for the breach of fundamental contractual duties, the extent of the liability shall be limited to the reimbursement of typically foreseeable loss if only ordinary negligence is imputed to us, our organs, statutory representatives and/or vicarious agents, although in relation to ordinary vicarious agents this limitation of the extent of liability shall apply for any type of negligence.

2. The limitations on liability in subparagraph 1 above shall not apply in the event that our liability is mandatory, e.g. according to the Produkthaftungsgesetz (Law on product liability) and/or in the event of death, personal injury and/or harm to health.

XIII. Time-bar

All of the customer's claims- on whatever legal grounds – shall become time-barred in 12 months. The statutory limitation periods shall apply to claims for compensation in accordance with Clause XII.

XIV. Withdrawal from the contract

1. In the event of a failure to supply, incorrect or late delivery by our suppliers, we shall be entitled to withdraw from the contract.
2. We shall be entitled to withdraw from the contract if the customer has applied for insolvency proceedings to be opened in respect of its assets, has made a statutory declaration pursuant to § 807 of the Zivilprozessordnung (Code of civil procedure, 'ZPO') or insolvency proceedings have been opened in respect of its assets or the opening of insolvency proceedings has been refused due to a lack of assets.

XV. Place of performance, place of jurisdiction and applicable law

1. The exclusive place of performance and the exclusive place of jurisdiction for all present and future claims arising out of the business relationship with us, including claims under bills of exchange and cheques, shall be Heilbronn for both parties.

2. German law shall apply exclusively to all agreements and legally significant acts, subject to the exclusion of the Uniform Laws on the International Sale of Goods. XVI. Side agreements Side agreements shall only be valid if they are confirmed in writing by us. The same applies to an amendment of these standard terms of sale and supply, in particular an amendment of this provision.

XVII. Interpretation rule

In the event that one or more provisions of these standard terms of sale and supply are or become invalid, the remaining provisions shall be unaffected. Instead, the parties shall be obliged to replace the invalid provision with a provision which comes as close as possible to the meaning expressed in these standard terms of sale and supply.

XVIII. Data protection

The customer is referred to the fact that if necessary personal data will be saved and processed by our organization in accordance with the provisions of the Bundesdatenschutzgesetz (Federal Law on data protection, 'BDSG').