

General Terms of Business

I. Application

1. In respect of all supplies of goods and services Supplier's conditions of delivery exclusively apply. Purchaser's General Terms of Business do not apply unless expressly precluded by Supplier.

II. Offer and Scope of Supply

1. Our offers are not binding and are subject to confirmation.
2. In the absence of agreement to the contrary, written confirmation from Supplier is definitive in respect of supply. Ancillary agreements and amendments require Supplier's written confirmation.
3. Supplier retains without restriction all rights of title and copyright exploitation in respect of all cost estimates, drawings and other documentation. The latter may not be made accessible to third parties. Drawings and other documentation forming part of offers are, in the event that the contract is not awarded, to be immediately returned to Supplier upon request.

III. Price and Payment Terms

1. Prices are stated ex works and are applicable exclusive of packaging. Prices are liable to the prevailing statutory rate of valued-added tax.
2. Payments are, in the absence of any agreement to the contrary, to be made within 10 days following delivery free of charges to Supplier's place of payment.
3. Purchaser may only offset against such claims as are established as being undisputed or legally binding.

IV. Delivery Period and Default of Delivery

1. Adherence to an agreed delivery period presupposes on the part of Purchaser submission of all documentation, official approvals and releases, including fulfilment of any other obligations by Purchaser. Should the latter not be met the term shall be appropriately extended unless Supplier is responsible for the delay.
2. The delivery period shall be deemed met if the object of delivery has left the works prior to its expiry or if readiness for shipment has been notified.
3. If non-adherence to the delivery period is attributable to force majeure, industrial disputes or other events beyond Supplier's control, the delivery period shall be appropriately extended. Supplier shall inform Purchaser as soon as is possible as to the beginning and end of such circumstances.
4. Should Supplier fall into delivery arrears and if Purchaser as a consequence incurs loss, the latter is entitled to require a lump-sum delay compensation. For each complete week of delay this shall be 0.5%, subject however to a maximum of 5% of the value of such element of the delivery which, as a consequence of the delay, could not be used either in time or in accordance with the contract.
5. Should Supplier fall into delivery arrears Purchaser may only withdraw from the contract if Supplier is responsible for the delay and if Supplier has permitted an appropriate term for delivery accorded him to expire to no effect.
6. Purchaser undertakes to declare at Supplier's request and within an appropriate period whether, as a result of the delayed delivery, he intends to withdraw and/or demand damages in lieu of performance or to insist upon delivery.
7. Any other claims consequent upon delay are regulated exclusively in accordance with Section VII.

V. Transfer of Risk and Shipment

1. Risk transfers to Purchaser at the latest upon despatch of the supply components to Purchaser, this to include instances of partial deliveries or where Supplier has assumed performance of other additional services, e.g. shipment costs, transportation or assembly.
2. Should shipment be delayed as a consequence of circumstances for which Purchaser is responsible, risk transfers to Purchaser with effect from the date of readiness for shipment.
3. At Purchaser's request and on the basis of information supplied by him and at his expense the shipment shall be insured by Supplier.
4. Partial deliveries, including variations from ordered quantities of up to +/- 10% are permissible if, given due consideration of Purchaser's interests, this is deemed reasonable in respect of the latter.

VI. Rights in the event of Defects

1. Purchaser shall inspect goods delivered and services provided for defects immediately upon receipt. Should defects be ascertained these shall be reported in writing immediately and at the latest 10 days following transfer of risk. Hidden defects must be reported in writing immediately and at the latest 10 days following discovery.
2. Defective sections of the delivered goods or service provided shall at Suppliers discretion be rectified, replaced or re-provided respectively.
3. In respect of all repairs and replacement supplies deemed necessary by Supplier Purchaser shall provide Supplier with the requisite time and opportunity. Otherwise Supplier is released from liability in respect of any consequences ensuing. Only in urgent cases of jeopardy to operating safety or in order to avert disproportionately extensive damage, in which case Supplier shall be immediately advised, has Purchaser the right to rectify the defect himself or to have it rectified by third parties and to require reimbursement of the expenditure necessary.
4. Should repair or replacement supply fail or should Supplier permit an appropriate period accorded him for repair or replacement supply to elapse to no effect, Purchaser has the right, notwithstanding any damage compensation claims pursuant to Section VII and within the provisions of

the law, to a reduction in the contractual price or to withdraw from the contract. In the case of minor faults, however, Purchaser only has the right to a reduction in the contractual price.

5. In the event of inappropriate or improper use, faulty assembly or operation on the part of Purchaser or third parties, natural wear and tear, faulty or negligent treatment, improper servicing, unsuitable operating materials, chemical, electrochemical or electrical effects including non-reproducible software errors there exist no rights to defect claims if Supplier is not responsible for them.

Should improper alterations or repair work be undertaken by Purchaser or third parties, similarly no defect claims exist in respect thereof or of any consequences arising therefrom.

The liability disclaimer also applies if the defect is attributable to a material supplied by Purchaser.

6. Replaced parts are the property of Supplier.

7. Defect claims are time-barred after 12 months. In the case of injury to life, physical injury or damage to health, intentional or grossly negligent infringement of Supplier obligations or malicious non-disclosure of a fault, statutory periods apply. Legal periods apply similarly to the right of recourse (§ 479 Paragraph 1 BGB - "Civil Code") in respect of structural building defects or objects of supply used in accordance with their customary application for a building structure and whose defective nature caused damage (§§ 438 Paragraph 1 No.2 and 634a Paragraph 1 No.2 BGB).

VII. Liability

1. Liability for damages not arising at the object of supply itself, irrespective of legal grounds, is excluded.

2. The liability disclaimer does not however apply in the event of intent or gross negligence, culpable injury to life, physical injury or damage to health or in respect of maliciously undisclosed defects, the assumption of a guarantee or a procurement risk, infringement of essential contractual obligations or defects in the object of supply if under product liability legislation there is liability in respect of persons or material damage to privately used items.

3. In the event of culpable infringement of essential contractual obligations the damage compensation claim is limited in the case of slight negligence to the customary contractual and reasonably foreseeable damage.

4. In the event of infringement of contractual ancillary obligations such as for example duties of information and consultation, Sections VI and VII apply accordingly.

5. If Purchaser is due claims under Section VII, these become time-barred as per Section VI, No.7.

VIII. Disclaimer

1. We accept no liability for distortions, warping, dimensional changes or damage to components that could be caused by our work against payment, or any resultant damage that leads to any defects or destruction of the processed component.

IX. Reservation of Title

1. Supplier reserves title to the object of supply up until discharge of all claims arising from the business relationship due him from Purchaser. If the value of all security interests due to Supplier exceeds the level of all secured claims by more than 20%, Supplier shall at Purchaser's request release a corresponding proportion of such securities.

2. Supplier is entitled to insure the object of supply at the expense of Purchaser against theft, breakage, fire, water and other damage if Purchaser has himself not verifiably concluded such insurance.

3. Purchaser may neither sell, pledge nor use the object of supply as security. In the event of attachments including confiscation or other dispositions by third parties he shall immediately inform Supplier thereof.

4. In the event of behaviour contrary to the terms of the contract on the part of Purchaser, in particular payment arrears, Supplier is entitled following reminder to repossess the object of supply and Purchaser undertakes to surrender it.

5. Supplier may only demand surrender of the object of supply on grounds of reservation of title if he has withdrawn from the contract.

6. Application for initiation of insolvency proceedings entitles Supplier to withdraw from the contract and to require immediate return of the object of supply.

X. Legal Venue and Jurisdiction

1. For all disputes arising from the contractual relationship the action shall be filed at the competent court for Supplier. Supplier is also entitled to file at Purchaser's principal place of business.

2. In respect of the contractual relationship German law as defined in HGB (Commercial Code) and BGB (Civil Code) applies.

Schneider Leichtbau GmbH 79110 Freiburg i.Br. Status: December 2006