



F E I N T E C H N I K

TERMS OF SALE

Revision Level: July 01, 2007

1. General, scope of validity

Our terms and conditions of sale are exclusively valid; we do not accept any terms and conditions of the buyer which are contradictory or contrary to our own, unless we have expressly agreed to their validity in writing. Our terms and conditions of sale are also valid if we ship goods to the buyer unconditionally, even though we are aware of any terms and conditions of the buyer which may be contradictory or contrary to our own. All agreements which are entered into between ourselves and the buyer for the purpose of executing this contract must be documented in writing.

2. Quotations, quotation documents, catalogues

If an order placed by the customer can be deemed an offer in accordance with § 145 BGB (German civil code), we are entitled to accept it within a period of 4 weeks. Our quotations are always provisional. We reserve all property rights and copyrights to illustrations, drawings, calculations and other documents, and these may not be made accessible to third parties.

Our express written consent must be obtained before such documents are forwarded to third parties. Descriptions of our products serve only as an indication of their respective features, and by no means represent a guarantee of the quality of the goods. Technical changes to our products which increase their value, or serve to sustain their value, are permissible at any time without prior notice. Fees are charged for cost estimates obtained from ourselves, if the placement of an order does not result therefrom.

3. Tools, fixtures etc.

Tools, fixtures and similar equipment which are fabricated or procured for production in accordance with documentation provided by the buyer remain our property, even if they have been paid for by the by either in part or in full. Unless otherwise specified by means of special agreement, the scope of services does not include assembly and initial start-up of supplied goods at the buyer's facility.

4. Prices, terms and conditions of payment and arrears

Insofar as nothing to the contrary has been specified in the order confirmation, all prices are quoted "ex works" not including packaging, which is invoiced as a separate item. Our prices do not include legally applicable value added tax, which is included in the invoice as a separate item at the legal rate on the date of invoice issue. Discounts may only be deducted from invoice amounts if a separate agreement to this effect has been entered into. The buyer is entitled to deduct a 2% discount from invoices for which payment is received by ourselves within 14 days of the invoice date.

The buyer falls into arrears if he does not settle payments due no later than 30 days after receipt of an invoice or an equivalent request for payment. We reserve the right to induce arrears at an earlier point in time by issuing a reminder which is delivered to the buyer after payment has become due. As opposed to sentences 1 and 2 above, if it has been agreed that the purchase price shall be paid on a specified or specifiable maturity date, the buyer falls into arrears if he does not effect payment not



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later than at this point in time. If the buyer falls into arrears, we are entitled to demand interest on arrears at a rate of 8% above the respective base rate of the European Central Bank (ECB).

We are entitled to claim even greater compensation for damage due to arrears, if we are able to substantiate such. The buyer is only entitled to offset invoice amounts if his counterclaims have been legally established, are undisputed or have been acknowledged by ourselves. Furthermore, he is entitled to exercise his right of retention to the extent that his counterclaim is based upon the same contractual relationship.

5. Delivery time

The delivery time specified by ourselves presupposes that all technical questions have already been clarified. Unless an agreement to the contrary has been entered into, delivery times specified by ourselves are non-binding. If, for reasons which are beyond our control, delivery is delayed, liability for the compensation for damages which are the direct result of delayed delivery is limited to the extent of foreseeable damage. If the buyer grants us a reasonable extension after delivery has become past due, he is entitled to withdraw from the contract if the extension expires without yielding the desired result.

If a reasonable extension has expired without yielding the desired result, the buyer is obligated to inform us within a period of two weeks after the extension has expired whether he will withdraw from the contract or continue to demand fulfilment. Above and beyond this, insofar as we are liable for compensation for damages instead of contract fulfilment, claims are limited to the extent of foreseeable damage in the event of simple negligence. We are never liable for consequential damages due to delayed delivery or non-delivery in the event of simple negligence, in particular for lost profits or other costs of production stoppages.

Adherence to our obligation to deliver presupposes punctual and proper fulfilment of the buyer's obligations. If we can substantiate that our suppliers have not delivered to us on time despite careful selection of such suppliers and the conclusion of supply contracts with reasonable terms and conditions, delivery time is extended by an amount of time equal to the delay which is caused by delayed delivery from our supplier. In the event that delivery from our supplier becomes impossible, we are entitled to withdraw from the contract. If the buyer fails to accept delivery, or if he does not comply with any other of his obligations to cooperate, we are entitled to claim compensation for damages incurred by ourselves, including any additional expenditures. In this case, the risk of coincidental loss or coincidental deterioration of the goods is transferred to the buyer at the point in time at which he fails to accept delivery.

6. Delivery, transfer of risk

Insofar as nothing to the contrary has been specified in the order confirmation, delivery "ex works" is agreed upon. Risk is transferred to the buyer when the goods leave our plant, even in the event of partial shipments, and even if we have agreed to provide other services, for example payment of shipment costs or delivery to, and setup at the buyer's plant. Insofar as acceptance is required, it is decisive with regard to the transfer of risk. Acceptance must be effected on the acceptance deadline



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without delay, or alternatively immediately after we have issued notice that goods are ready for acceptance. The buyer may not refuse acceptance due to insubstantial defects. If shipment or acceptance is delayed or does not take place due to circumstances which are beyond our control, risk is transferred to the buyer on the day on which notification was issued that the goods were ready for shipment or acceptance. Partial shipments are permissible insofar as they are reasonable for the buyer. Customary over and under-shipments of up to 10% are permissible.

If requested to do so by the buyer, we shall procure transport insurance coverage for the goods, the costs of which shall be borne by the buyer.

7. Guarantee for defects, guarantee period

The buyer's guarantee rights presuppose that he has properly complied with his inspection and notification obligations in accordance with § 377 HGB (German commercial code). Insofar as the goods demonstrate a defect for which we are at fault, we are entitled either to eliminate the defect or deliver goods which are free of defects at our own discretion. If we are not willing or able to eliminate the defect or replace the defective goods, in particular if elimination or replacement is not effected before reasonable deadlines expire for reasons for which we ourselves are responsible, or if the elimination of the defect or replacement of defective goods should fail for other reasons, the buyer is entitled either to withdraw from the contract or to demand a corresponding reduction of the purchase price. If a reasonable extension has expired without yielding the desired result, the buyer is obligated to inform us within a period of two weeks after the extension has expired whether he will withdraw from the contract or continue to demand fulfilment. Insofar as nothing to the contrary has been specified below, all further claims on the part of the buyer, regardless of their legal grounds, are excluded.

For this reason, we are not liable for damages which have not occurred to the delivered goods themselves, and in particular we are not liable for lost profits or any other of the buyer's financial losses. Insofar as we are indeed liable for any such damages, claims for compensation for damages are limited to the extent of foreseeable damage. The above release from liability does not apply insofar as the cause of damage can be traced back to malicious intent or gross negligence. Nor does it apply in the event that we have guaranteed that the purchased goods shall demonstrate a specific characteristic, and this characteristic is in fact missing. Insofar as we negligently breach any essential contract obligations, our liability is limited to the extent of foreseeable damage. Insofar as claims for damage are enforced which are covered by our manufacturer's liability insurance or product liability insurance, our liability is limited to the compensation provided for by these insurance policies. The guarantee period has a duration of 1 year beginning on the date of shipment of the goods. This deadline represents a statutory period of limitation, and also applies to claims for compensation for consequential damages caused by defects insofar as no claims due to unlawful acts can be asserted.

8. Reservation of proprietary rights

We retain the right of ownership of the goods until all payments which have become due as a result of the business relationship with the buyer have been received. In the event of any breach of the contract on the part of the buyer, in particular in the case of default of payment, we are entitled to exercise our legal rights and to reclaim the goods. After reclaiming goods, we are entitled to liquidate



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them; proceeds resulting from such liquidation shall be credited to the buyer's account, less reasonable costs of liquidation. The buyer must notify us in writing without delay in the event of seizure or any other intervention on the part of third parties, so that we can file for suit in accordance with § 771 ZPO (German code of civil procedure). Insofar as the third party is incapable of reimbursing us for court costs or costs resulting from an out-of-court settlement, the buyer is liable for incurred losses.

The buyer is entitled to sell the goods as part of the normal course of business; however, he assigns, already at this point in time, all claims in an amount equal to the invoice total (including VAT) which arise from resale to his customers or any third parties, regardless of whether or not the goods are sold with or without further processing.

The buyer is still empowered to collect such claims even after they have been assigned. Our authority to collect such claims ourselves remains unaffected. However, we undertake to refrain from collecting such claims as long as the buyer meets his financial obligations which result from the collection of proceeds, is not in arrears and, in particular, has not lodged a petition to initiate insolvency proceedings. If, however, this is the case, we are entitled to demand that the buyer inform us of all assigned claims and their respective debtors, provide us with all information necessary for the collection of such claims and hand over all pertinent documentation. Processing or alteration of the goods by the buyer always takes place on our behalf. If the goods are processed together with other objects which do not belong to us, we acquire co-ownership of the new goods in the ratio of the value of the goods to the other processed goods at the time of processing. Otherwise, the same applies to the object resulting from processing as is also the case for the conditionally delivered goods.

Upon request of the buyer, we undertake to release securities to which we are entitled insofar as the value of our securities exceeds the claims to be secured by an amount of more than 20%; the selection of which securities shall be released shall be made at our own discretion.

9. Court of jurisdiction, place of fulfilment

Insofar as the buyer is a business establishment, any disputes arising hereunder shall be settled before the competent court of law which presides over Schonach, Germany. However, we are entitled to bring action against the buyer at the court of his own domicile as well. Insofar as nothing to the contrary has been specified in the order confirmation, the place of fulfilment for all contractual obligations is Schonach, Germany. The laws of the Federal Republic of Germany apply exclusively to this contract.