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General Terms and Conditions of Purchase FKB GmbH

I. GENERAL

These Terms and Conditions of Purchase shall apply exclusively to all our purchase orders and contracts. Any deviating terms and conditions of sale imposed by the Supplier shall only be accepted if confirmed by us in writing. The unreserved acceptance of deliveries and services or the payment of any such deliveries and services shall not be construed as a confirmation of the supplier's terms and conditions of sale.

II. 1.) PURCHASE ORDER/ORDER CONFIRMATION

Our purchase orders are placed in writing. They shall be valid without a signature provided reference to this effect has been made on the purchase order form. The Supplier shall accept the purchase order in its original form within a period of two weeks. We are entitled to cancel the order after this period has expired. All terms and conditions, specifications, standards and other documents enclosed, or specified in the purchase order are an integral part of the purchase order. The Supplier shall treat the purchase order as a trade secret and must ensure its confidentiality. The Supplier shall be liable for all and any damages inflicted on us arising from the violation of this obligation.

II. 2.) MASTER AGREEMENT

Should a written master agreement exist with the Supplier for the delivery of certain products, no confirmation shall be provided for the purchase or release of orders for such products. An individual order within a master agreement shall become effective, if the supplier does not object to it within 5 working days after having received the order. An order confirmation deviating from the original purchase order shall only become effective upon our written confirmation. Release orders which meet the agreed delivery schedule need not be confirmed.

III. MODIFICATIONS TO THE DELIVERY ITEMS

Should we request a modification to the delivery items, the Supplier shall immediately notify us in writing about any associated price increases or reductions or consequences for the delivery period, and provide documentary evidence thereof.

IV. FORCE MAJEURE

We shall be entitled to cancel the purchase order should production be suspended due to unavoidable occurrences or circumstances (such as Acts of God or industrial action); in the event of any other obstacles beyond our reasonable control that prevent us from accepting deliveries, the delivery and payment periods shall be extended by the duration of this delay.

V. DELIVERY PERIOD

The agreed delivery dates and periods are binding. The Supplier is deemed to be in default without notice being given if found to be responsible for not meeting the delivery dates and/or periods. The Supplier shall notify us immediately of any foreseeable delays to the delivery. In the event of an undue delay in delivery we shall be entitled to all statutory claims. Extra costs, especially for the purchase of replacement goods, shall be borne by the Supplier. The unreserved acceptance of a delayed delivery shall not be construed as a waiver of damage claims.

VI. DELIVERY

All shipping documents shall be completed with the data specified by us and must in particular contain the purchase order number, article ID, country of origin of the ordered item, the dimensions as well as the number of units and the weight per item. The costs incurred as a result of a failure to comply with our shipping instructions shall be borne by the Supplier. With respect to the number of items, weight and dimensions, the measurements made by incoming goods inspection at our company shall be decisive, unless proof is otherwise furnished. Unless agreed otherwise in writing, all deliveries shall be made free of charge. Partial deliveries require our prior approval and must be indicated as such in the shipping documents. The deliveries shall be dispatched properly and reasonably packaged in accordance with the general instructions of the haulage and shipping industry. The Supplier shall bear all freight insurance and packaging costs. In the event that the German Packaging Directive requires the Supplier to take the used packaging back, the Supplier shall bear the associated shipping and recycling costs.

II. INVOICE AND PAYMENT

The supplier shall submit the invoice for each delivery or service separately from the actual delivery made. The wording of invoice shall be identical with the information given in the purchase order and the delivery note, and must contain our purchase order number and the delivery date. The exact name of our department issuing the order and the order date shall be stated. Invoices not containing these data will be returned so that a right of payment is not constituted. The payment period begins on the first working day after the day when a proper and auditable invoice was received or when the goods were received or the service was rendered, whichever is later. Unless otherwise agreed with the Supplier in writing, the payment shall be effected within 14 days of having received the goods or the invoice, with a discount of 3 % being deducted, or within 30 days without a discount, in each case on the 15th and 30th day of the following month after delivery, and according to the payment method of our choice. We reserve the right to make payments by check and the right to make a counterclaim should an effective set-off apply. In the case of incorrect deliveries, we are entitled to withhold the payment until the delivery has been properly performed. The right to claim discounts, concessions and similar allowances shall not be affected.

VIII. WARRANTY, WARRANTY PERIOD AND MATERIAL DEFECTS

The Supplier shall warrant that the delivery item is free from material and legal defects and conforms to contractually agreed conditions. We shall be entitled to inspect the goods and carry out approved random checks during the course of our regular business activities. The Supplier shall waive the plea of delayed notification of the complaint if the Supplier is immediately notified in writing about any defects that were discovered during the above procedure or if the Supplier is notified about hidden defects immediately after their discovery. Unless otherwise agreed in writing, the warranty period for the delivery item shall be 12 months from the date on which the transfer of risk took place. If the delivery item becomes faulty or defective during the warranty period, the Supplier shall either remedy these defects or faults or provide a replacement item free of charge at our discretion, after being duly notified in writing and given a reasonable time in which to do so. In urgent cases and in order to ward off unreasonable damage we shall be entitled to remedy the defect or fault ourselves, or to have the fault or defect remedied by third parties, and to demand the reimbursement of the costs incurred. The same shall apply when the Supplier has not remedied the defect or fault by the time a reasonable period set in our written notification has expired. If the delivery item cannot be used, partly or wholly, while being reworked or replaced, the warranty period shall be extended by the duration of the period in which the item was unavailable for use. If the Supplier

has failed to remedy the defect or fault after two attempts, we shall be entitled to either cancel the contract or reduce the purchase price at our discretion, after having duly notified the Supplier in writing. Moreover, we shall also be entitled to claim damages or the reimbursement of the expense for our efforts made in vain.

IX. PRODUCT LIABILITY

Should a customer or a third party assert a claim for product liability against us, the Supplier undertakes to indemnify us against any such claims if and to such an extent as the damage has been caused by a defect in the product delivered by the Supplier. In such cases, the Supplier shall bear all and any costs and expenses, including the legal expenses and the costs for the recall. We shall agree the details and the scope of such a recall with the Supplier where this is both possible and reasonable. Otherwise statutory requirements shall apply.

X. COPYRIGHT

The supplier shall ensure that no third party copyrights are infringed in connection with his delivery. Should third parties assert claims for the violation of such copyrights against us, the supplier shall indemnify us against any such claims and bear all necessary expenses in connection with this claim.

XI. DOCUMENTS, MODELS, SECRECY

Any documents, data, data processing information, software and objects (e.g. samples, models etc.) which were provided by us to the Supplier to enable him to carry out the order remain our property. They must neither be used for other purposes nor reproduced nor made available to third parties without our written approval. Products manufactured with the help of our property, on the basis of our specifications or with a considerable involvement on our part during their development must not be supplied to third parties without our written approval.

XII. GOVERNING LAW

These Standard Terms and Conditions of Purchase shall be governed by the laws of Germany excluding the UN Convention on the International Sale of Goods.

XIII. MISCELLANEOUS

1. These Standard Terms and Conditions of Purchase shall be governed by the laws of Germany excluding the UN Convention on the International Sale of Goods.
2. Contracts for works and services (*Werkvertrag*), work performance contracts (*Werklieferungsvertrag*) and similar contracts shall also apply to these Standard Terms and Conditions.
3. If one provision of these Standard Terms and Conditions of Purchase is or shall become ineffective, this will not affect the validity of other provisions. The parties shall agree upon a provision to replace the ineffective provision that reflects as closely as possible the intent of the previous provision.
4. The place of jurisdiction for all and any disputes directly or indirectly arising from this agreement, also for collection proceedings is our registered office. However, we are also entitled to choose an alternative place of jurisdiction.
5. The place of performance for the services to be rendered by both parties is Oberndorf -Aistaig.

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General Terms and Conditions of Sale for products and services FKB GmbH

I Conclusion of contract

1. The following Terms and Conditions of Sale shall apply to all our offers, supplies and services including information and advice. Unless expressly agreed otherwise, these Terms and Conditions of Sale shall also apply to all future business relationships with a customer even if we do not make express reference to these Terms and Conditions on the conclusion of a contract.

2. No other Terms and Conditions aside from these shall apply even if we do not expressly object to them. Additions, amendments or subsidiary agreements associated with these Terms and Conditions shall not be effective without our written confirmation. The same shall also apply to any release from the 'in writing' requirement.

3. Our offers are subject to change without notice unless a validity period has been expressly agreed. A contract shall only become binding once we confirm the customer's order in writing, or we perform the delivery or service upon request without separate confirmation.

II. Due dates and terms

1. The due dates and terms specified for our deliveries and services are non-binding unless otherwise expressly agreed in writing. Terms shall only commence to run when there is agreement on all particulars of the performance of such, when the customer has provided all information, documentation and materials required of him and has paid the agreed price or deposit- where cash before delivery or the payment of a deposit was agreed. A lack of cooperation, or requests for modification on the part of the customer shall result in a reasonable postponement of due dates or an extension to the terms.

2. Unforeseeable and unavoidable occurrences (such as war, warlike conditions, shortfalls in energy or raw materials, sabotage or industrial action) as well as all other breakdowns or official actions for which we are not responsible shall exempt us from our obligation to perform the delivery or service for the duration of their continuance, even if arising during an earlier delay. Due dates and terms thus affected shall be extended to a reasonable extent. The same shall also apply to the deliveries and services of our own suppliers which are not performed duly or in good time, for which we are not responsible.

3. All claims of the customer are excluded in all cases of delayed delivery even after the expiry of an additional period granted to us. The customer's right to withdraw from the agreement following the expiry of an additional unsuccessful period granted to us shall remain unaffected. The same shall also apply to any withdrawal made by us.

III. Pricing and terms of payment

1. Our prices are quoted net of VAT and ex-works (according to EXW & INCOTERM 2000).

2. Unless expressly stated otherwise, these prices shall remain binding for the period of one month from the date on which the order was confirmed (the original document). The purchase order date shall be applicable if no order confirmation was issued. Thereafter we are entitled to inform the customer of any price increases by way of a new offer taking a reasonable account of his interests.

3. Unless expressly agreed otherwise, all payments must be made by the customer to the appointed paying agent within 14 days- at a discount of 2%, or within 30 days, without a discount, from the date on which the delivery was dispatched and the invoice was created. The invoice is considered settled on the date on which payment is received. Checks can only be accepted on the basis of an appropriate agreement and only as a conditional payment. In these cases, the invoice shall only be considered settled once the amount in question is irrevocably at our disposal. All costs arising from the payment shall be solely borne by the customer.

4. A default in payment enters into force after thirty days following the due date for payment and the receipt of the invoice. If the date on which the invoice was received is uncertain, the liable party shall be in default in payment after thirty days at the latest following receipt of the goods and the payment due date based on the Terms of Payment.

5. If a customer does default in payment, we may at our discretion charge interest on arrears amounting to a sum equivalent to eight percentage points above the base lending rate (ECB), or compensation to the exact amount arising from the loss arising to us as a result of the delay. Section 353 HGB (*German Commercial Code*) shall not be affected. 6. The customer shall only be entitled to a set-off or retention provided that his counter claims have been declared final and absolute or are uncontested or acknowledged by us.

7. A customer can only transfer any of his claims against us whatsoever to a third party with our express written permission. Section 354a HGB (*German Commercial Code*) shall not be affected.

8. We are entitled to perform outstanding deliveries or services only upon receipt of cash before delivery or upon provision of an appropriate security, whereby any delivery or service terms shall be extended correspondingly or due dates postponed in the event that a significant deterioration in the financial situation of the customer becomes known to us subsequent to the conclusion of a contract (such as an application to institute insolvency proceedings, an unfavourable credit rating or a delay in making an interim payment). In the event that we have already performed the delivery, we can demand the immediate payment of our invoice, contrary to 3).

IV. Delivery and transfer of risk

1. The place of performance is the place of delivery, in accordance with INCOTERM, in which the delivery items are produced. The risk of accidental loss or accidental depreciation of the goods shall pass to the customer on delivery from the place of performance. The same shall also apply to partial deliveries or if we take on other services (such as the dispatch of goods or shipping costs).

2. We are entitled to deliver the goods in the form of partial deliveries and services provided that we inform the customer in good time that the remaining quantity will be delivered subsequently within a reasonable period.

3. If the delivery is delayed for reasons for which the customer is responsible, the customer shall bear all and any costs for the non-realisation of the offer and for further storage at the supplier plant or at a place of storage at our discretion. In such instances, the risk of an accidental loss or accidental deterioration of the returned goods shall pass to the customer upon notification that the goods are ready for shipment.

V. Manufacture according to customer instructions.

1. We assume no guarantee or liability for the product's suitability for its purpose or for other defects where the goods are manufactured on the basis of the customer's technical drawings, samples and other instructions, in as far as these circumstances are due to the customer's instructions. The customer shall indemnify us against all claims of third parties for damage caused by the products, in as much as these are based on technical drawings, samples and other instructions of the customer. The same shall also apply to product liability claims.

3. The customer shall provide us with a guarantee that the manufacture and delivery of goods finished according to his instructions do not violate the industrial property rights of third parties. If a claim to industrial property rights is made against us by a third party, we are entitled to withdraw from the contract after consultation with the customer, unless the third party withdraws the claim for industrial property rights against us within a reasonable period of time by way of a written declaration. The customer undertakes to reimburse us for all and any damages and costs arising from the claim to industrial property rights. In the event of a withdrawal, all work on the product or service previously performed by us shall be reimbursed in accordance with our billing procedures.

4. The forms, tools and design documentation necessary for the performance of the order prepared by us or on our behalf shall remain our exclusive property. The customer shall not be entitled to claims hereto even if the customer contributed to the costs of the manufacture of the forms, tools and/or design documentation. We are entitled to destroy all associated forms, tools and design documents five years after performance of the last customer order at the latest, provided that no other written agreements have been entered into or provide that no corresponding approvals are required on the basis of agreements.

5. We retain the ownership, copyright and all other industrial property rights of all documentation passed on, or provided to the customer. These documents must not be made available to, or commercially used by third parties and must

be returned to us on demand and without delay together with all copies and extracts made from them.

VI. Provision of materials by the customer

The customer is responsible for the suitability of all parts, materials or other substances he provides in order to perform his purchase order. We will therefore refrain from carrying out an inspection of incoming goods and suitability testing on such parts, materials or substances unless otherwise expressly agreed in writing. The customer shall not have recourse to any guarantee or liability claims against us in the event that the materials provided by the customer are unsuitable, unfit or ill-adapted for the purchase order and where this is not evident to us. Moreover, the customer shall compensate us for the damage caused by the unsuitability, unfitness or ill-adaptation of the materials in accordance with our billing procedures, and shall reimburse all additional expenses.

VII. Technical modifications & variations in quantities

1. We reserve the right to make technically necessary or expedient modifications (in particular to the design, choice of material, specifications, construction) if not expressly agreed otherwise.

2. For technical reasons, variations in production may arise during the manufacture of special alloys. For this reason we are entitled to carry out deliveries with quantities more or less than the specified delivery quantity provided that such a variation has been notified to the customer and is reasonable taking his interests into account. The actual quantity delivered is the quantity that will appear on the invoice.

VIII. Warranty and Goods Receipt Inspection

1. Within the scope of the following Terms and Conditions, we guarantee that the products delivered and services performed at the time of the passing of risk for the delivery or service are free from defects which cancel out or lessen to a more than insignificant extent the value or suitability for standard usage or usage in accordance with the contract. All such products or services which show a defect within the period of limitation - regardless of service life- are to be repaired free of charge, re-delivered, or performed afresh at our discretion provided that the cause of such a defect was already present at the time of the passing of risk. We shall not be liable for wear and tear based on normal usage and defects which were caused through improper use, improper handling, improper storage, or through a failure to observe manufacturer's, assembly or operating instructions. The warranty shall lapse in the event of improper handling by the customer as well as third parties working on behalf of the customer.

2. Unless otherwise expressly agreed in writing, all information concerning our products, in particular the illustrations, technical drawings, technical specifications and references to norms and standards contained in our offers and brochures do not represent guarantees of quality and/or durability in the sense of section 443 BGB (*German Civil Code*), but are for descriptive or identification purposes only. The same shall also apply to the delivery of samples and specimens.

3. The customer shall inspect the goods immediately upon receipt even if samples or specimens have previously been supplied, and notify us of any defects or variations in quantity discovered during such an inspection without delay and in writing. Failure to do so shall result in the goods being considered approved unless there are defects which were not recognisable during the inspection.

4. The warranty period is twelve months and commences from the date the products were passed on to the customer at the place of performance, at the latest when the products were received at the customer's premises. The warranty period commences with acceptance in the sense of section 640 BGB (*German Commercial Code*),

provided that plant services, including or plant deliveries of non-exchangeable goods are the object of the agreement.

5. We undertake to pay all costs arising for the purposes of repair (in particular transport and infrastructure costs, labour and materials). The customer shall bear the additional costs resulting from an increase in expenses resulting from the goods having to be delivered to a location other than the place of delivery of the customer, unless the transfer of location is in accordance with the intended use. In the event of rework, the customer shall enable us to carry out the repair without delay and to provide us with the goods which are the subject of the complaint for inspection and processing.

6. The customer shall bear the costs arising from any unjustified complaints. We do not accept lump-sum compensation for complaints made by customers.

7. The customer is entitled to a price reduction or to withdraw from the contract in the event of a failure of the repair or replacement delivery. This shall not affect any compensation claims.

8. Claims for defects do not exist on account of only insignificant variations from the agreed characteristics or on account of only insignificant impairment to the usability of the product.

9. We assume no liability in the sense of section 478 BGB (*German Commercial Code*) if we act as a supplier of materials or supplier of parts vis-à-vis our customer.

10. Further claims are excluded unless specified in these General Terms and Conditions of Sale.

IX. Retention of title

1. We reserve ownership of the delivered goods as well as all items originating from their treatment or processing ("reserved goods") until all of our current and future receivables against the customer have been paid in full - even if they are only constituted after the conclusion of the contract. The retained ownership safeguards our claims for the settlement in the event of open account receivables.

2. Goods may only be treated or processed on proper business premises and shall be undertaken for us by the customer without incurring any liabilities for us. If processing is performed through a combination with other goods supplied either under an ordinary retention of title, or likewise under an extended retention of title, we shall acquire co-ownership of the new goods at the ratio of the gross purchase prices agreed between ourselves and the customer and the appropriate value of the other items. The customer already transfers us his share of co-ownership arising from any composition, mixing or blending of the reserved goods with other goods.

3. The customer shall hold the goods in our sole or co-ownership in custody on our behalf with the due care and diligence of a prudent businessman. If he takes out insurance for the reserved goods, he immediately assigns to us his claims resulting from the respective contract of insurance, in the event of co-ownership, at the ratio of our share of co-ownership bears to the total shares of the co-ownership.

4. The customer is only entitled to dispose of the reserved goods by sale in a proper business transaction and where it is ensured that all resultant claims pass onto us. The customer is not permitted to dispose of the goods in any other way (especially pawning or transferring the goods as a means of security on a debt).

5. The customer hereby assigns to us, as a form of security, receivables accruing to him from the disposal of, or another legal right in connection with, the reserved goods. In the event that the transferred receivables are included in an outstanding invoice, the customer hereby transfers to us a part of his settlement claim, including the closing balance amounting to his claim for the sale of the goods. If the customer sells the reserved goods after treatment or processing, or after composition, mixing, or blending with other products, or together with other products, the transfer of claim shall be deemed to be agreed to the amount of the part which corresponds to the gross price agreed between the customer and ourselves plus an additional security margin of 20% of this price. The customer is entitled to recover all claims assigned to us.

6. We are entitled to revoke the authorisation to dispose of the reserved goods and the authorisation to collect the claims assigned to us at any time if the customer fails to properly fulfil his obligations towards us.

7. The customer is obliged to provide us with all required information concerning the reserved goods and the assigned claims and to supply the associated documentation at all times. At our request, the customer shall notify liable parties of the assignment.

8. The customer shall notify us without delay of all and any seizures or claims of third parties (including all measures of enforcement) in respect of the reserved goods or assigned claims, whereby he shall also produce appropriate documentation. He shall immediately notify third parties of our retention of title and the assignment by way of security. The costs for warding off such seizures shall be borne by the customer.

9. We are entitled to take back the reserved goods, disclose the assignment by way of security and exploit the reserved goods and the assigned claims for the purpose of settling claims due against the customer without prejudice to our other rights, if the customer is in default in payment or in breach of his duties arising from these Terms and Conditions. In this case, the customer shall grant us or one of our representatives immediate access to the reserved goods and shall return them. Our demand for the return of the goods, or a compulsory enforcement measure initiated by us shall not constitute a withdrawal from the contract.

X. Other compensation claims

1. Claims for compensation made by the customer, irrespective of their legal basis, especially on account of a breach of duties arising from a contractual relationship and arising from unauthorised actions shall be excluded.

2. This shall not apply in cases in which we or a person employed to perform an obligation for us is responsible for wilfulness or gross negligence. Exclusion of liability shall also apply in cases in which liability is imposed by law on us or persons employed to perform an obligation for us for death, personal injury or injury to health or on account of acceptance of a warranty for the presence of a feature. We shall also be liable in cases of ordinary negligence upon the breach of fundamental contractual obligations, the performance of which the customer enlists a particular high degree of reliance.

3. In cases of ordinary negligence of fundamental contractual obligations as well as wilfulness and gross negligence by such employees and other persons employed to perform an obligation for us who are not members of senior management, we shall only assume liability to the extent of the damage which is typically foreseeable taking into account all applicable and recognisable circumstances.

4. Liability under product liability law shall remain unaffected. An amendment to the burden of proof to the disadvantage of the customer is not associated with the above provisions.

XI. Miscellaneous

1. These Standard Terms and Conditions of Sale for deliveries and services shall be governed by the laws of Germany under the exclusion of the UN Convention on the International Sale of Goods.

2. If one provision of these Terms and Conditions of Sale is or shall become ineffective, this will not affect the validity of other provisions. The parties shall agree upon a provision to replace the ineffective provision that reflects as closely as possible the intent of the previous provision.

3. The sole place of jurisdiction for all disputes arising from and in connection with this contract is our registered office. However, we are also entitled to choose an alternative place of jurisdiction.

(German language version: July 2006)