general terms of delivery
(Status October 2007)

1
General provisions, offer and conclusion of contract

1.1 The following terms of sale shall apply to all contracts concluded between the buyer and us for the delivery of goods. They shall also apply to all future business relations, even if they are not expressly agreed once again. Deviating terms and conditions of the buyer, which we do not expressly recognise, are non-binding for us, even if we do not expressly object thereto. The following terms of sale shall also apply if we carry out the order of the buyer without any reservations in the knowledge of opposing or deviating terms and conditions of the buyer.

1.2 All agreements, which were reached between the buyer and us for executing the purchase contracts, are recorded in writing in the contracts.

1.3 We can accept an order of the buyer, which is to be qualified as an offer to conclude a purchase contract, within two weeks by sending an order confirmation or by sending the ordered products within the same deadline.

1.4 Our offers are without obligation and non-binding unless we have expressly described these as binding.

2
Price, payment, collateral

2.1 The prices are, if not otherwise agreed, ex works plus the applicable rate of value added tax. The payment is due and payable immediately with the receipt of the invoice by the buyer and must be made within 30 days from invoice date received by us in cash without deduction of cash discount.

2.2 The buyer is only insofar entitled to a right of retention and authorisation to offset to the extent that the counter-claims are undisputed or have been declared final and absolute. The buyer is only authorised to exercise a right of retention if his counter-claim is based on the same contractual relationship.

2.3 We accept discountable and properly taxed bills of exchange as conditional payment, if this was expressly agreed. With the acceptance of bills of exchange or cheques the debt shall only be redeemed when these are encashed. Discount expenses and all costs incurred with the encashment of the bill of exchange and
cheque amount are to be borne by the buyer.

2.4 In case the payment deadlines are not observed interest shall be charged according to the respective bank rates for overdraft facilities, at least however interest in the amount of 8 percentage points above the respective base lending rate of the Deutsche Bundesbank. The proof of lower damages – however such only up to the statutory rate - or higher damages is permitted.

2.5 In case of default of payment or with a risk to our receivables through deterioration of the creditworthiness of the buyer we are entitled to deem our claims due, irrespective of the term of possible bills of exchange, or to request collateral. We shall then also be entitled to only carry out still outstanding deliveries against advance payment or against the provision of collateral.

2.6 We can offset with all receivables, to which we are entitled against the buyer, against all receivables, which the buyer has against us, the shareholders or those domestic companies, in which the shareholders directly or indirectly hold the majority of the shares.
Upon request we shall inform the buyer of the individual group companies covered by this clause.

3
Packaging

3.1 Packaging shall be invoiced to the buyer. Instead we can, with entitlement to a charge for use and deposit, request that the packaging be returned.

3.2 We shall not take transport and all other packaging back according to the packaging regulations; with the exception of pallets. The buyer must ensure the disposal of the packaging at his own costs.

4
Delivery time, delay in delivery

4.1 The agreed delivery times shall only apply under the condition of timely clarification of all details of the order and timely satisfaction of all obligations of the buyer, such as e.g. provision of the necessary official certificates and other documents, opening of a letter of credit or payment on account. They refer to the time when the delivered work is sent and shall be deemed as observed with the report that the work is ready for shipment if the goods cannot be sent in time without our fault. Delivery dates or deadlines, which have not expressly been agreed as binding, are exclusively non-binding details.

4.2 If we are prevented from satisfying our obligations through unforeseeable events, which affect us or our sub-suppliers and which we could also avoid with the reasonable care and attention according to the circumstances, e.g. war, interventions of a higher authority, internal unrest, forces of nature, accidents, other interferences to operation and delays in the delivery of essential supplies or primary materials, the delivery time shall be extended by the duration of the impediment and a reasonable start-up time. If the delivery is impossible or deemed unreasonable for us through the impediment, we can cancel the contract; the buyer has the same right if the acceptance is deemed unreasonable for him owing to the delay. Deemed as an impediment for which we are not responsible within the meaning of a paragraph are in any case also strikes or lock-outs.

4.3 If the underlying purchase contract is a firm deal within the meaning of § 286 Par. 2 No. 4 BGB [Civil Code] or of § 376 HGB [Commercial Code], we shall be liable according to the statutory provisions. The same shall apply if the buyer is entitled as the result of a delay in delivery, for which we are responsible, to assert his discontinued interest in the further satisfaction of the contract. In this case our liability is limited to the foreseeable, typically occurring damages if the delay in delivery is not due to an intentional breach of the contract for which we are responsible, whereby a fault of our representatives or vicarious agents is to be attributed to us.
We shall also be liable towards the buyer in case of delay in delivery according to the statutory provisions, if this is due to a wilful or grossly negligent breach of the contract, for which we are responsible, whereby a fault of our representatives or vicarious agents is to be attributed to us. Our liability is limited to the foreseeable, typically occurring damages if the delay in delivery is not due to a wilful breach of the contract for which we are responsible.

4.4 For the event that a delay in delivery, for which we are responsible, is due to the culpable breach of an essential contractual duty, whereby a fault of our representatives or vicarious agents is to be attributed to us, we shall be liable according to the statutory provisions with the condition that in this case the liability for damages is limited to the foreseeable, typically occurring damages.

4.5 Otherwise in the event of a delay in delivery for which we are responsible the buyer can of the delay assert flat rate compensation in the amount of 3 % of the delivery value for each completed week, a maximum however of no more than 15 % of the delivery value.

4.6 A further liability for a delay in delivery, for which we are responsible, is excluded. The further statutory claims and rights of the buyer, to which he is entitled besides the claim for damages owing to a delay in delivery for which we are responsible, remain unaffected.

4.7 We are entitled to partial deliveries and partial services at all times insofar as this is deemed reasonable for the customer.

4.8 A right of cancellation to which the buyer or we are entitled according to Par. 4.2 or Par. 4.3 shall principally only cover the part of the contract which has not yet been satisfied. Insofar as partial deliveries, which have already been provided, are useless for the buyer he is also entitled to cancellation with regard to these partial deliveries.

4.9 If the buyer is in default of acceptance we shall be entitled to demand compensation for the damages suffered and possible additional expenses incurred. The same shall apply if the buyer culpably breaches duties to provide assistance. The risk of accidental deterioration and accidental loss shall pass to the buyer with the occurrence of the default of acceptance or debtor.

5
Acceptance, passing of risk, shipment

5.1 If an acceptance has been agreed it can only be carried out in the delivery plant; it must be carried out immediately after report of the readiness for acceptance.

5.2 If the acceptance is not carried out in time or not in full without our fault we shall be entitled to carry out the delivery without an acceptance or store the goods at the costs and risk of the buyer. This shall apply accordingly to goods which have been reported as ready for shipment, which at our discretion we can then also charge as delivered ex works. If this shipment is delayed at the request of or due to the fault of the buyer we shall store the goods at the costs and risk of the buyer. In this case the notification that the goods are ready for shipment shall be deemed equivalent to the shipment.

5.3 The risk shall pass to the buyer when the goods are handed over to the carrier or freight forwarder, by no later however than when they leave the plant.

5.4 Transport means and transport route are left to our choice. We shall determine the carrier and the freight forwarder.

5.5 The Incoterms 2000 shall apply to the interpretation of the trade clauses.

6
Defects to the goods, false delivery

We shall assume warranty for defects to the goods, including the absence of warranted qualities according to the following regulations:

6.1 Claims for defects of the buyer shall only exist if the buyer has properly satisfied his duties to inspect and report a defect as owed according to § 377 HGB.

6.2 In case of justified reports of defects under the exclusion of the buyer's rights we are obliged to cancel the contract or reduce the purchase price (reduction), to subsequent performance unless we are entitled to refuse the subsequent performance based on the statutory regulations. The buyer must grant us a reasonable deadline for subsequent performance. The subsequent performance can at the choice of the buyer be carried out through remedy of the defect (subsequent improvement) or delivery of a new good. In the event that the defect is remedied we shall bear the necessary expenses, insofar as these are not increased, because the object of contract is located at another location than the place of performance. If the subsequent performance has failed the buyer can at his choice demand reduction of the purchase price (reduction) or declare the cancellation of the contract. The subsequent improvement shall be deemed as failed with the second fruitless attempt insofar as further subsequent attempts at improvement are not deemed appropriate nor reasonable for the buyer owing to the object of the contract. The buyer can only assert claims for damages at the following conditions owing to the defect if the subsequent performance has failed. The buyer's right to assert further claims for damages at the following conditions remains unaffected thereby.

6.3 The warranty claims of the buyer shall become statute-barred one year after delivery of the goods to the buyer unless we have maliciously failed to disclose the defect; in this case the statutory regulations shall apply. Our duties from Section 6.4 and Section 6.5 remain unaffected thereby.

6.4 In accordance with the statutory regulations we are obliged to take back the new good or to reduction of the purchase price, even without setting the otherwise necessary deadline, if the purchaser of the buyer as consumer of the sold new movable object (purchase of consumer good) could demand that the good be taken back or reduction of the purchase price towards the buyer owing to the defect to this good or the buyer is countered with such a resulting claim for recourse. We are in addition obliged to reimburse expenses of the buyer, in particular transport, route, work and material costs which it had to bear in the relationship to the end consumer within the framework of the subsequent performance based on a defect to the good which existed when the risk was passed from us to the buyer. 6.1 The claim is excluded if the buyer has not properly satisfied his duties to inspect and report a defect as owed according to § 377 HGB.

6.5 The obligation according to Section 6.4 is excluded insofar as it concerns a defect owing to advertising statements or other contractual agreements, which are not from us, or if the buyer gave a special guarantee towards the end consumer. The obligation is also excluded if the buyer was not personally obliged to exercise the warranty rights against the end consumer owing to the statutory regulations or did not make this complaint against a claim asserted him. This shall also apply if the buyer assumed warranties towards the end consumer, which go beyond the extent as laid down by law.

6.6 Further rights owing to defects, in particular contractual or non-contractual claims for reimbursement of damages, which are not suffered to the goods themselves, are excluded to the extent as determined in Par. 8; this liability exclusion shall not apply with the absence of warranted qualities, if it was particularly the aim to secure the buyer against the suffered damages.

6.7 The aforementioned provisions shall apply accordingly if another good is delivered instead of the contractually agreed good (false delivery).

7
Reservation of title

7.1 The delivered goods shall remain our property (reserved goods) until the satisfaction of all claims, in particular also the respective balance claims, to which we are entitled against the buyer within the framework of the business relationship. The same shall apply as long as we have a bill of exchange liability towards third parties in connection with the business relationship.

7.2 The reserved goods are processed on our behalf as manufacturer within the meaning of § 950 BGB, without obliging us. The processed goods shall be deemed as reserved goods within the meaning of Par. 7.1. In case the reserved goods are processed, connected and mixed with other goods by the buyer we shall be entitled
to the co-ownership to the new object in the ratio of the invoice value of the reserved goods to the invoice value of the other used goods. If our ownership lapses through connection or mixing the buyer hereby now already assigns us the ownership rights to which he is entitled to the new stock or the object to the extent of the invoice value of the reserved goods and shall store this for us free of charge.

7.3 The buyer may only resell the reserved goods in customary business transactions, at his normal business conditions and as long as he is not in default, presuming that he agrees a reservation of title with his buyer and that the claims from the resale pass to us according to Par. 7.4 and Par. 7.5. He is not entitled to other disposals over the reserved goods.
Also deemed as resale is the use of the reserved goods for satisfying contracts for labour and services and work delivery contracts.

7.4 The claims of the buyer from the resale of the reserved goods are hereby now already assigned to us; this shall apply with the transfer of the claim from the resale onto a current account, in its amount also to the respective balance claims. The assigned claims serve to the same extent to secure the reserved goods.

7.5 If the reserved goods are resold by the buyer together with other goods, which were not delivered by us, the claims from the resale or the respective balance claims are assigned to us as a ratio of the invoice value of the reserved goods to the invoice value of the other goods. In case of the resale of goods, to which we hold co-ownership shares according to Par. 7.2 a part of the claim is assigned to us which corresponds with our co-ownership share.

7.6 The buyer is entitled to collect claims from the resale or balance claims unless we revoke the direct debit mandate in the cases stated in Par. 2.5. At our
request he undertakes to inform his purchasers of the assignment immediately insofar as we do not do this ourselves and to provide us the information and documents which are necessary for the collection.

7.7 The buyer is in no case entitled to otherwise assign the claims. This shall also apply to factoring transactions; the buyer is not permitted to do this based on the direct debit mandate either. We are however entitled to agree to factoring transactions in an individual case insofar as the buyer finally receives the counter-value
from this and the satisfaction of our claims is not at risk.

7.8 In the cases stated in Par. 2.5 we are also entitled to forbid the processing as well as the resale of the reserved goods. In these cases as well as with a breach of the buyer of the obligations according to Par. 7.3 we can, after setting a reasonable deadline in advance, also demand that the reserved goods are returned at the costs of the buyer under the exclusion of a right of retention. The buyer hereby now already authorises us to access his plant and to remove the reserved goods. If we take the reserved goods back this shall represent a cancellation of the contract. If we seize the reserved goods this shall also be deemed as a cancellation of the contract. We are entitled to sell the reserved goods after we have taken these back. After deduction of a reasonable amount for the sales costs the sales proceeds are to be offset against the amounts owed to us by the buyer.

7.9 If the value of the existing collateral items exceeds the secured claims in total by more than 10% we are insofar obliged at the request of the buyer to release collateral at our choice. The buyer must inform us immediately of an attachment or other impairments by third parties.

7.10 If the reservation of title or the assignment is not effective according to the law, in the scope of which the goods are located, then the collateral which corresponds with the reservation of title or the assignment in this scope
shall be deemed as agreed. If the assistance of the buyer is required accordingly he must take all measures which are necessary for substantiating and retaining such rights.

8
General liability exclusion

8.1. Irrespective of the following liability restrictions we shall be liable according to the statutory provisions for damages to life, body and health, which are due to a negligent or wilful breach of duty by us, our legal representatives or our vicarious agents as well as for damages, which are covered by the liability according to the Product Liability Act. For damages, which are not covered by Sentence 1 and which are due to wilful or grossly negligent breaches of contract as well as fraudulent intent by us, our legal representatives or our vicarious agents, we shall be liable according to the statutory provisions. In this case however the liability for damages is limited to the foreseeable, typically incurring damages insofar as we, our legal representatives or our vicarious agents did not act with wilful intent. To the scope, in which we have submitted a guarantee of condition or durability with regard to the goods or parts thereof we shall also be liable within the framework of this guarantee. For damages, which are due to the absence of the guaranteed condition or durability, however are not suffered directly to the goods, we shall however only be liable if the risk of such damages is clearly covered by the guarantee of condition and durability.

8.2. We shall also be liable for damages which we cause through simple negligent breach of those contractual obligations, the satisfaction of which makes the proper execution of the contract possible in the first place and the observance of which the buyer can as a rule trust and rely upon. However, we shall only be liable insofar as the damages are typically associated with the contract and are foreseeable.

8.3. A further liability is excluded irrespective of the legal nature of the asserted claim, this also applies in particular to tort claims or claims for the reimbursement of fruitless expenses instead of the performance; this shall not affect our liability according to Section 4 of this contract. Insofar as our liability is excluded or restricted this shall also apply to the personal liability of our employees, workers, representatives and vicarious agents.

8.4 Claims for damages of the buyer owing to a defect shall become statute-barred one year from delivery of the goods. This shall not apply in the event of injuries to life, the body or health for

which we, our legal representatives or our vicarious agents are at fault or if we, our legal representatives acted with wilful intent or gross negligence or if our simple vicarious agents acted wilfully

9
Trademarks, advertising, property rights

9.1 The buyer may only use and sell the delivered object with the trademark and the other marks which refer to the manufacturer, with which he was supplied by us.

9.2 The buyer is responsible for the reliability of his advertising; at our request the buyer shall coordinate the type of advertising for the goods delivered by us with us.

9.3 We reserve our ownership rights, copyrights and all other property rights to all diagrams, calculations, drawings and other documents. The buyer may only forward these to third parties with our written consent irrespective of whether we have marked these as confidential.

10
Place of performance, partial invalidity

10.1 The place of performance is the location of the delivery plant, for the payment obligation of the buyer it is Solingen.

10.2 In the event of the invalidity of individual contractual provisions the other provisions shall remain binding.

11
Place of jurisdiction, applicable law

11.1 The place of jurisdiction for all legal disputes, also for bill of exchange and cheque proceedings, is Solingen. We can however also file action against the buyer at courts of his general place of jurisdiction.

11.2 The law of the Federal Republic of Germany which is decisive for the legal relations of domestic parties shall apply exclusively to all legal relations between us and the buyer. The application of the UN law on the international sale of goods is excluded.