

§ 1 Validity of the General Terms of Sale

1. Our Terms of Sale shall apply exclusively. They shall apply even where we unreservedly effect delivery to the Customer whilst aware of the Customer's conflicting provisions or provisions at variance with our Terms of Sale. Customer's diverging General Terms of Business are hereby strictly opposed. These shall only form part of the Contract when their validity for each individual contract has been explicitly confirmed in writing by us. We will not accept any differing terms and conditions notwithstanding that we may not have expressly rejected them nor by means of our referring to correspondence with the contractual partner in which reference is made to the contractual partner's terms and conditions. Conclusion of the Contract shall not fail due to conflicting General Terms of Business. Each provision within these Terms and Conditions shall be valid on its own. Our Terms of Sale shall only apply to entrepreneurs pursuant to § 14, Section 1 of the German Civil Code (BGB) and to legal entities under public law or to special public funds. 2. Where colliding General Terms of Business tally with one another, the concurring resolutions shall apply. Beyond this, those sections of our Terms of Sale shall be deemed accepted where no provision in the Customer's General Terms of Business collides with them. On the other hand, those provisions in the Customer's General Terms of Business not fully concurring with the contractual substance of our General Terms of Business shall not form part of the Contract. In all other cases *jus dispositivum* shall apply. 3. These Terms of Sale shall apply in their current version also for all future contracts on the delivery of goods and on subsequent deliveries between the Parties in this business relationship without there being a need for repeated inclusion of, or reference to, these Terms of Sale after the initial agreement. 4. In the case of written documents appended with a translation into a foreign language relating to a Contract for which German is the official language, the translation shall only serve as information. The German wording alone shall be conclusive in determining the subject of the Contract. 5. All agreements concluded between ourselves and the Customer for the purpose of implementing this Contract must be set down in writing within this Contract. Additional agreements, subsequent changes to the Contract and provisions of guarantees, in particular assurances of characteristics or the assumption of procurement risks by non-authorised persons, must all be made in writing.

§ 2 Offers/Quotes

1. Offers made by us shall be subject to change. These represent an invitation to the Customer to place a binding offer for the conclusion of a Contract (order) and are therefore not yet binding for us at this stage. We are entitled to accept orders within a period of 4 weeks. During such time the Customer is legally bound to honour his order offer. 2. Contracts shall not be binding for us unless we accept the order by means of written order confirmation. We shall not be required to oppose a potential Customer's written order relating to an offer of this kind should the Contract fail to be concluded. 3. Delivery dates are estimates only and are without obligation unless we have expressly agreed to their being binding. Descriptions and photographs of our goods and products in catalogues, leaflets, circulars, advertisements and price lists, insofar as these are not part of our quotation are always only approximate and shall only become subject of the Contract when this is expressly indicated and laid down in the Contract. Drawings, illustrations, dimensions, weights or other performance data shall only be binding where this is expressly agreed in writing. 4. We reserve the right to make changes at any time to the subject of the Contract prompted by technical progress, rationalisation or design requirements insofar as these changes are within those that are customary in the trade and are reasonable to the Customer. We also reserve the right to make those changes to colour, weight etc. that are customary in the trade. 5. Should a change to the subject of the Contract not fall within those customary in the trade and should it also not be reasonable to the Customer, the Customer shall be entitled to cancel the Contract – a

right which he can exercise in writing within 2 weeks of receiving relevant notification from us. Cancellation at a later date shall be excluded due to the relevant amendment to the Contract having taken effect by then.

§ 3 Offer Charges, Offer Documentation and Copyrights

1. As a rule, the initial processing of an offer is free-of-charge. Further offers and planning work shall only be free-of-charge when the delivery contract becomes valid and remains so. 2. We reserve ownership and copyrights on illustrations, drawings, designs, sketches, calculations and other documents; access to these may not be given to third parties without our written consent. These may neither be copied nor reproduced in any other manner without our consent and on request they must be returned to us once the order has been carried out. 3. Those moulds, samples and dies produced by us in order to fulfil the Contract shall remain our property. Furthermore, we shall not be obliged to surrender these to the Customer even if the price for these has been indicated separately in the Contract or invoice, in the absence of explicit contractual agreements to the contrary. We shall be entitled to the copyrights for the said moulds, samples and dies. 4. With goods manufactured to the Customer's drawings, specimens or other specifications, the Customer shall assume liability where patents and other copyrights of third parties are violated. The Customer shall undertake to release us from any such claims to this effect.

§ 4 Prices

1. Unless agreed otherwise, all prices shall be net "ex works" plus statutory VAT valid at the invoice issue date. Additional costs such as packaging, freight, forwarding expenses, customs, assembly, insurance and bank charges shall be charged separately. 2. In the absence of any other agreement to the contrary, we shall be bound to the prices agreed for a period of 30 days. Should costs then change (in particular due to wage settlements or changes in the cost of materials) once the commitment period has come to an end but prior to delivery, we shall be entitled to alter the agreed prices respectively. On request we shall provide proof of this change in costs. 3. With repeat orders prices shall be agreed upon afresh. Should no such agreement materialise, we shall be entitled to set the prices unilaterally at our discretion. 4. Where value added tax is not included in our invoice – particularly because notification by the Customer suggests an "intra-community" delivery pursuant to § 4 No. 1 b in conjunction with § 6 a of the German VAT law (UstG) and because we shall be subject to subsequent VAT (§ 6 a, IV of the German VAT law - UStG) – the Customer shall be obliged to pay us the sum we shall be charged in this context. This obligation shall stand regardless of whether we are subsequently required to pay value added tax, turnover tax on imports or any comparable taxes domestically or abroad. 5. If on any given delivery date, which is at least four months after the date on which the contract was concluded, any changes should occur to the basis on which prices have been established (e.g. an increase in the price charged for raw materials, materials, wages, transportation or storage), we shall reserve the right to adapt our prices accordingly after informing the purchaser of this change, whereby the individual cost elements and their increase shall be given a fair weighting in determining any new prices. In the event that individual cost elements should increase whilst others decrease, this shall also be taken into consideration when determining the new price.

§ 5 Lead Time, Delivery Periods, Delays, Neglect of Duty and Acts of God

1. In the absence of any contractual agreements to the contrary, agreed delivery deadlines shall be deemed as observed when, by this time, the delivery item left our works, was handed over to the forwarding agent at our works or was indicated ready for dispatch to the Customer. 2. Where fulfilment of the order depends on documents and permits being furnished or essential questions being clarified by the Customer, any delivery deadline consented to or agreed upon by us shall only remain binding once the Customer has clarified the said question or furnished the said documents or

permits by the start of the 10th week prior to the delivery deadline. What documents and clarifications are to be furnished in the context of this stipulation shall depend on the separate provisions of both Parties to the Contract or shall result from the nature of the Contract. **3.** In the absence of agreements to the contrary, delivery periods shall commence once the order confirmation has been sent. **4.** Delivery periods shall, however, not commence until the Customer has furnished the required documents and permits and has clarified those questions essential for the implementation of the Contract. What documents and permits are to be furnished and what questions are to be clarified by the Customer shall be determined by the individual contractual agreements made by the Parties or by the nature of the Contract itself. **5.** Observance of the delivery period shall depend on the Customer fulfilling his agreed advance payment obligations. Beyond this, the delivery period shall likewise commence on fulfilment of those contractual obligations of the Customer which are laid down separately with reference to this provision in each individual contract or which result from the nature of the Contract. Furthermore, the delivery period shall only commence subsequent to the full and faultless fulfilment of all those contractual obligations of the Customer which are essential and necessary for the performance of our obligation. **6.** Should we accept a request for a change to the contractual services expressed by the Customer subsequent to concluding the Contract, those delivery periods and deadlines agreed upon shall become non-binding. We shall make every effort to indicate to the Customer new delivery, commissioning and acceptance deadlines for the goods he has ordered as swiftly as possible. We shall, however, be entitled to give priority consideration to other obligations when finding new deadlines in this context. **7.** In the event of delays in delivery as laid down in the above-mentioned provisions, a new delivery and/or assembly date shall only be binding subject to written consent by us or an authorised member of our staff. The same shall apply in cases where the date has become non-binding due to legal regulations. **8.** Delivery periods shall extend appropriately or the delivery date shall be postponed by a reasonable period due to circumstances prompted by industrial action, in particular strikes or lock-outs, or due to the advent of unforeseen hindrances beyond our volition such as breakdowns, energy or raw material shortages, traffic disruption, energy supply problems, measures taken on the part of the authorities, sovereign interventions or orders in so far as those hindrances are proven to have a significant influence on the completion or delivery of the items. This shall also apply where such circumstances have effected upstream suppliers. The same shall apply for hindrances caused by Acts of God. Likewise, we cannot be held responsible for the circumstances described above where they occur during an already existent delay. Should the disruption last for over 3 months, each Party to the Contract shall be entitled to withdraw from that hitherto unfulfilled section of the Contract in writing within a period of 2 weeks without recourse to claims for compensation. Should withdrawal arise, the outlay for work already carried out incl. material must be reimbursed. At the request of either Party to the Contract, the respective other Party must declare whether he wishes to adhere to the Contract once the 3-month delay period has expired. We shall be obliged to notify the Customer in writing of any delay at the earliest possible convenience. The same shall apply when the delay ceases to apply. **9.** We always reserve the right to honour our delivery obligations subject to the correct and timely delivery of our own supplies. **10.** In the event of us being responsible for a transgression or failure to observe the delivery periods, the Customer shall be entitled to cancel the Contract in accordance with legal provisions, subsequent to his setting us a deadline of at least 2 weeks in writing and this deadline also expiring without being met. He may cancel without setting any deadline where the conditions laid down in § 323, Section 2 of the German Civil Code (BGB) are met. Declarations of cancellation or refusal and the fixing of final deadlines can only be made in writing. **11.** In the event of neglect of duty on our part however, we shall only be obliged to compensate for

damages where premeditation or gross negligence can be ascribed to us or one of our vicarious agents employed. This shall not apply in the case of a firm deal. Legal provisions concerning the burden of proof shall remain unaffected by this.

§ 6 On-Demand Delivery

1. We can dispatch orders as part deliveries insofar as these remain within those customary in the trade and are reasonable to the Customer. These part deliveries must each be paid for separately in accordance with our terms of payment. Once we have effected part delivery, the Customer shall be entitled to assert his rights arising from § 5, Nos. 10 and 11 of these General Terms of Business, also in terms of the entire Contract, should the conditions laid down therein prevail and the Customer have no interest in part delivery. **2.** Should delivery on demand be agreed upon, we shall be entitled to cancel the Contract and/or claim for damages instead of demanding payment where the Customer delays in demanding delivery and we have set an appropriate deadline to no avail. Claims for damages shall not be permitted should the Customer not be responsible for the delay. Our claim for compensation due to delay pursuant to § 280, Section 1, Section 2 of the German Civil Code BGB in conjunction with § 286 of the German Civil Code (BGB) shall remain unaffected by this. Alternatively in this case, we shall be entitled to demand the agreed purchase price for preparation of the entire delivery. **3.** Goods ordered for delivery on demand must be requested in full within no more than 3 months subsequent to order confirmation where no other deadline has been agreed.

§ 7 Passing of Risk and Transport

1. In the absence of other separate agreements to the contrary, delivery shall be effected ex works at 87772 Pfaffenhausen. This shall also apply for part deliveries. **2.** Where the goods are sent to the Customer at his request or as agreed, the risk of accidental loss/destruction and accidental deterioration shall pass (insofar as this is legally permitted) to the Customer as soon as the goods leave our works - also in the case of part deliveries. This shall apply regardless of whether the goods are dispatched from the place of fulfilment or from another location and regardless of who bears the freight costs or who transported the goods to the Customer or to a forwarding agent. **3.** Where those goods to be dispatched to the Customer or collected by the Customer pursuant to the above provision are surrendered to the forwarding agent or the Customer at the works, the risk shall then pass to the Customer to the extent described above. **4.** In the absence of other agreements to the contrary, we shall determine the means of transport and the transport route chosen here without there being any onus on us to select the fastest and cheapest option here. Where the Customer so wishes we shall insure the consignment against damage incurred during transit, storage and assembly on behalf and at the cost of the Customer. Where the Customer's place of business is both place of performance and place of effect as a result of an explicit agreement, we shall be entitled to insure the consignment against damage incurred during transit, storage and assembly on behalf and at the cost of the Customer. **5.** Where the goods are transported by third parties and where the goods remain uninsured, particularly at the explicit request of the Customer, these goods shall be transported at the Customer's own risk. **6.** Insofar as we bear the transport risk pursuant to the above provisions, the Customer shall be obliged to facilitate the settlement of claims with insurance companies for us to the best of his endeavours. More specifically, the Customer must satisfy himself of the condition of the consignment immediately on its arrival and must have any possible damage in transit assessed forthwith by the relevant body (station of arrival, delivery post office, forwarding agent) and must relay this information to us without delay. Where the insurance company effects reduced payment to us due to insufficient involvement of the Customer in assessing the damage and in settling the claim, we shall be entitled to charge the Customer the insurance company's shortfall in payment. **7.** Where the goods are ready for dispatch and where their dispatch or acceptance is delayed for reasons for which we are not respon-

sible, the risk shall pass to the Customer on receipt of notification announcing the goods' readiness for dispatch. The same shall apply where the goods are not called up for delivery within the set period in the case of delivery on call.

§ 8 Acceptance

1. The Customer must take acceptance of delivered items – even those which are defective. Where he refuses to do so indicating the alleged defects, he shall not be entitled to derive claims for damages from his inability to use the said goods. He shall also bear the risk of further deterioration in this respect. His rights in the event of defects shall remain unaffected by this. Acceptance of the delivered items shall not be subject here to an acceptance of goods pursuant to § 640 of the German Civil Code - BGB). 2. Where delivered items are taken into operation without any reservations, this shall be deemed as an acceptance regardless of whether consignments or other services, in particular assembly, are yet to be effected by us. 3. In case of our exceptional voluntary agreement given in advance and in writing without implying any acceptance of a statutory duty, to partially or completely accept goods returned to us, the following applies: Only goods returned in a faultless technical and optical condition coming in their original packing, in complete packing units, and without any missing items, will be accepted by us. The original Bill of Delivery must be included in the return shipment, which has to be sent by the purchaser to us free of postage and handling. After corresponding receipt of the goods, the customer then receives a goods credit note less the costs of putting back into storage, which depend on the value of the goods returned. In the case of a goods value of < 300 € the fee for putting back into storage is 30 %, 20 % for a goods value of > 300 € to < 600 €; 15 % for a goods value > 600 € to < 1,000 €; 10 % from a goods value of > 1,000 €. However, returned goods are only accepted by us in any case and are offset against a credit note, if a maximum of 6 months has passed between the date of the delivery note of the original delivery and the date of the return of goods. However, we will in any case only accept goods returns and issue a goods credit note if the period between the date of the delivery note and the date of the goods return does not exceed 6 months. Hazardous items and goods with a limited shelf life are excluded from returns.

§ 9 Terms of Payment

1. Our invoices are payable with a 2 % discount within 10 days of the invoice date or 30 days net, departing from the net value of the goods (as per payment received date). 2. We shall only accept means of payment going beyond cash or transfers to those accounts indicated on the invoices for the sake of fulfilling the Contract – this shall particularly apply in the case of bills of exchange or cheques. All payments must be effected free of charge to us. Bank, discount and collection charges shall be borne by the Customer. Payment by bill of exchange shall be subject to prior agreement. Discount on payments by bill of exchange shall not be granted. The surrender of bills of exchange and cheques as such shall not be considered as settlement of outstanding accounts. 3. In the event of culpable default on payment subsequent to the due date we can, without the need for any reminders, demand interest of 8 percentage points above the current base interest rate from the Customer as a contractual penalty. Where we are in a position to prove greater delay-related damage, we shall be entitled to assert this claim. As soon as those pre-conditions required to lodge a claim for compensation prevail, our claims shall be regulated in accordance with § 11 of these General Terms of Business. 4. The Customer shall neither be entitled to withhold any payments nor to set off any payment obligations in the event of counter claims being disputed, not recognised by us or not legally enforceable. 5. Where the Customer defaults on payment for more than 10 days, where bills of exchange or cheques are not honoured punctually or where a substantial deterioration of the purchaser's financial circumstances should come to our attention (regardless of whether this occurred prior or subsequent to conclusion of the Contract), we shall have the option of demanding either a) advance payment

on all those services not yet provided (including bills receivable) or b) the provision of collateral in respect of these claims. For such time as these claims remain unfulfilled we shall not be obliged to effect further deliveries arising from current contracts. 6. Each part delivery shall be considered a separate transaction. 7. Part payments are subject to special written agreement.

§ 10 Retention of Title

1. We shall retain title of ownership on the delivered items until such time as the Customer has paid all claims arising from his business relationship with us (extended retention of title to ownership). Thus, this retention of title on the delivered items also safeguards claims lodged against the Customer arising from contracts not relating to the delivered items. The Customer shall secure ownership by way of security for us. 2. Where the extended retention of title to ownership has not become part of the Contract due to the Customer having conflicting General Terms of Business, delivery based upon ordinary retention of title can be used as an alternative. 3. The Customer may only sell the delivered items in ordinary business transactions where he is not in default of payment and where he has not suspended payments. In such cases resale shall not be permitted. 4. On concluding the purchase contract with us the Customer shall, by way of collateral, already assign to us the claims he would be entitled to against his buyer on the basis of the sale or any other legal reason with respect to the subject of the Contract along with all secondary rights, at an amount corresponding to the percentage value of the subject of our Contract. The Customer shall be entitled to collect the claim as long as he does not default on his payments to us or has not suspended payments generally. 5. The Customer must immediately inform us in writing of any attachments, seizures or other dispositions by third parties on the item subject to retention of title and enclose all relevant documents (fieri feci etc.). Where a third party is unable to reimburse us the judicial and extra-judicial costs of an action pursuant to § 771 of the German Code of Civil Procedure (ZPO), the Customer shall be held liable to cover this shortfall incurred by us. 6. We can demand that the Customer makes notification of the assignment to his buyers and that he furnishes us with all information and documents necessary to collect the assigned claims. 7. Where those Customer's claims - arising from resale of the goods subject to our retention of title or from the resale of goods of which we are co-owners - are incorporated into a current account, the Customer must immediately assign his payment claim to us to the value of the current and recognised balance – i.e. to the amount of our claims against the Customer. 8. The Customer shall be obliged, for as long as title is retained, to treat the goods with care and to keep them in proper condition. Any necessary repairs must be performed immediately by us – with the exception of emergencies – at the Customer's cost. We shall bear the cost of these repairs where we are obliged to provide services in lieu or remedy defects as part of the provisions laid down in these General Terms of Business relating to warranties. 9. We shall be entitled, at the Customer's cost, to sufficiently insure - to reinstatement value - those goods subject to retention of title against theft and damage of all kinds, in particular fire or water damage where the Customer fails to prove he has taken insurance cover of this kind. 10. Where the realisable value of that collateral to which we are entitled shall exceed by more than 15 % the claims to be safeguarded arising from this business relationship, we shall be obliged, upon the Customer's request, to release the collateral in this respect. The choice of collateral to be released shall fall to us. 11. The processing and transformation of the delivered items by the Customer shall always be performed for us. Where the delivered items are processed along with items not belonging to us we shall acquire co-ownership of the new item corresponding to the value of the delivered item in relation to the other items processed at the time of processing. The items arising from processing shall be subject to the same provisions as the items delivered subject to retention of title. 12. Where the goods subject to retention of title are connected to a plot of land of which the goods form an essential part, the Customer shall be obliged to allow us to view this plot of land and have access to it and shall be obliged to assign to us his

claims in respect of the owners of the land or to grant other collateral securities of equal value should he be the owner of the land himself. Should a substantial deterioration of the financial circumstances of the Customer occur we shall be entitled, with the consent of the owner of the land or the landlord, to step into the legal position of the Customer vis-à-vis the former. **13.** The assertion of our claims arising from ownership by way of security shall not mean cancellation of the Contract.

§ 11 Delay of the Customer

1. Where the Customer fails to accept the goods on the agreed delivery deadline or once the delivery period has come to an end, due to circumstances for which he is responsible, we can demand compensation for the additional expenses we have incurred as a result. **2.** In the event of default by the Customer we shall be entitled, regardless of the possibility of asserting a greater claim for actual damage, to demand interest on the sum for which the Customer is in default at 8 percentage points above the current base interest rate. **3.** Where we are entitled to claim damages instead of performance we can, regardless of the possibility of asserting a greater claim for actual damage, demand 15 % of our price as damages provided the Customer fails to prove that there was no damage caused at all or damage is considerably lower than the lumpsum compensation.

§ 12 Claims for Defects

1. Where defective goods exist for which we are responsible we shall be entitled to either remedy the defect or to effect subsequent deliveries. Any replaced component shall transfer to our ownership. **2.** The assertion of claims for defects by the commercial Customer shall be dependent on the latter having fulfilled his due obligations in terms of examining the goods and giving notice of any defects pursuant to § 377 of the German Commercial Code (HGB). Any notification of defects must be made in writing detailing the specific defect involved. **3.** We can refuse to remedy the defects for such time as the Customer has failed to fulfil all his payment obligations, with the exception of a sum corresponding to the price reduction on the defective goods. In this case, the Customer shall only be obliged to effect advance payment where we have confirmed our liability for defects within the ambit of these General Terms of Business to him in writing. **4.** We must be given the opportunity to inspect the notified defects on the spot. This inspection must be performed by us without delay where the Customer is interested in immediate settlement of the matter. Claims for defects shall not be permitted where merely insignificant deviations from the properties of the goods or where merely an insignificant impairment of the serviceability of the goods shall prevail. **5.** We can demand from the Customer those additional costs incurred for the purpose of subsequent fulfilment of obligations - in particular transport costs, tolls, work and material costs - where the outlay is increased as a result of transferring the goods to be delivered to location other than the delivery address, unless transfer occurs in accordance with the usage set out in the Contract. **6.** Claims under the right of recourse on the part of the Customer in the case of the purchase of consumer goods (§ 478 of the German Civil Code - BGB) shall be excluded in this respect when relating to agreements made by the Customer with his buyer going beyond the legal claims for defects of that buyer. The Customer must inform us in good time of any claims for defects lodged by his buyer so that we are in a position to meet the claims of the buyer instead of the Customer if we so wish. **7.** Where our contractual obligations also include assembly of the items to be delivered, an acceptance certificate must be produced once assembly has been completed to be signed by the Customer. This must record any defects the Customer has become aware of or that have become apparent by this time. Where these defects are not recorded our services shall be deemed accepted free from defects in this respect. **8.** Services rendered in lieu and remedied defects shall be subject to the same warranty provisions governing the item originally delivered. **9.** Claims for defects shall become statute-barred 1 year after the passing of the risk unless we are found to have caused the defect due to gross negligence or with pre-

meditation or to have concealed the defect with an intent to deceive. This shall apply for any guarantees issued by us or binding to us in the absence of other agreements to the contrary. The statutory time-limits for claims lodged under the right of recourse pursuant to § 478 of the German Civil Code (BGB) shall remain unaffected by this. The same shall apply for longer statutory time limitations, for the construction of buildings or for the delivery of goods used for a building in accordance with their normal purpose that have caused the building's defectiveness. These time limitations shall also apply for consequential damage where the claims are not asserted here based upon an illegal act. Where a defective delivery shall make defect remediation necessary, the time limitation shall only be suspended for such time as defects have been remedied and shall not be reinstated again. **10.** Before the Customer can assert any further claims or rights (cancellation, price reductions, compensation or reimbursement of expenses) we shall have the opportunity to be set an appropriate deadline in which to remedy the defect where we have not issued any guarantee worded to the contrary. Where we fail to remedy the defect despite at least two attempts, where we refuse to remedy the defect or where this remediation is not possible or not reasonable to the Customer, the Customer shall be entitled to cancel the Contract or to lower (reduce) remuneration. § 13 of these terms shall apply for the assertion of claims for compensation or reimbursement of expenses. **11.** The following shall also apply in the event of claims based upon deficiencies in title: In the absence of provisions to the contrary we shall merely be obliged to effect delivery in the country of the delivery address unaffected by third party rights. In the event of us being responsible for violating third party copyrights we shall be entitled to either acquire at our own expense a right of exploitation sufficient for the agreed or precluded use and make this over to the Customer, to change the delivered goods in such a way as to ensure the copyright is not violated or to exchange the delivered goods insofar as the agreed and precluded use is not compromised. Where we are unable to do this, where we refuse to remedy the defect or where this fails, the Customer shall be entitled to lodge legal claims and assert his rights. § 13 of these terms shall apply for the assertion of claims for compensation or reimbursement of expenses. **12.** Where the Customer chooses to cancel the Contract on the basis of deficiencies in title or a quality defect subsequent to a failure to remedy these, he shall also forfeit his right to claim for compensation for the defect. Where the Customer chooses to claim damages subsequent to a failure to remedy defects, the goods shall remain at the Customer's premises insofar as this is reasonable to him. Compensation shall be limited to the difference between the price to the Customer and the value of the defective goods. This shall not apply where we have caused the contractual violation with an intent to deceive. **13.** Where a selection of samples is sent out to the Customer for inspection, we shall only be responsible for ensuring the delivery is effected in accordance with the sample selection taking any adjustments into account. **14.** Where the Customer receives erroneous assembly instructions, we shall merely be obliged to deliver assembly instructions free from errors and indeed only at all when the error in the assembly instructions is at variance with proper assembly.

§ 13 Compensation/Reimbursement of Expenses

1. The purchaser's legal right of rescission – with the exception of cases that fall within §12 and §13 – shall be neither excluded nor limited. Likewise it is not intended to exclude or limit any legal or contractual rights or claims to which we may be entitled. **2.** We shall be liable without limit for intentional harm and gross negligence (including that of our legal representatives or agents) and for injury to life, limb or health. We shall also have unlimited liability in providing guarantees if a defect that is covered by a guarantee triggers liability. There shall also be no limit to our liability in relation to offences relating to the creation of a hazard, particularly in accordance with the German Product Liability Act (Produkthaftungsgesetz). This shall not affect any liability under the recourse principles under §478 et seq. of the German Civil Code (BGB).

3. In the case of any other culpable breach of significant contractual duties (cardinal duties, subclause 8) our remaining liability shall be limited to foreseeable damage as is usual for this type of contract. **4.** All other forms of liability shall be excluded from this contract regardless of their legal grounds, in particular claims resulting from a breach of any main or ancillary duties under the contract, illegal acts and any other tortious acts. **5.** The same exclusions, limitations and exceptions shall apply in respect of claims based on fault at the time the contract was concluded. **6.** §13 shall apply analogously in the case of any reimbursement of expenses (with the exception of any reimbursement of expenses in accordance with §439 II or §635 II of the German Civil Code (BGB)). **7.** Any exclusion or limitation of our liability shall also apply to our legal representatives and agents. **8.** No reversal of the burden of proof is intended. Cardinal duties are significant duties, i.e. such duties which characterise the contract and on which the contractual partner can rely; these are therefore the significant rights and duties which are the prerequisites for contractual performance and which are indispensable in order to fulfil the contractual purpose. **9.** Statutory limitation of claims between the Supplier and the Customer shall be governed by § 12, Section 9 insofar as claims relating to product liability pursuant to § 823 et seq. of the German Civil Code (BGB) or the Product Liability Law are not affected by this. This statutory limitation shall also particularly apply in the case of consequential damage. **10.** We shall assume no liability for damage caused by unsuitable or improper use, defective commissioning or assembly carried out by the Customer himself, natural wear and tear, defective or negligent treatment – in particular through excessive use, unsuitable operating resources, replacement materials, defective construction work, unsuitable ground for building, chemical, electrochemical or electrical influences and improper modifications or maintenance performed without our approval. **11.** We shall not be responsible for issuing any special public permits required or for the observance of any pollution protection laws. This shall not apply where the observance of these laws or the provision of special public permits have been agreed upon by us on an individual contractual basis.

§ 14 Court of Jurisdiction and Place of Fulfilment

1. The place of fulfilment for all contractual obligations shall be 87772 Pfaffenhäuser. **2.** Where the Customer is a merchant, a legal entity under public law or a special public fund, we shall be entitled to make the court of jurisdiction for all litigation arising from this contractual relationship alternatively Memmingen, the Customer's place of business or – in the case of foreign deliveries – the capital of the country where the Customer has his place of business. The same shall apply where the domicile or place of habitual residence of the Customer at the time the action commences is not known. This shall also apply for litigation arising from bills of exchange and cheques. **3.** Legal relationships between the Customer and ourselves shall be subject only to the law of the Federal Republic of Germany excluding the UN convention on the international sale of goods.