

Terms of Delivery and Payment

1. General Remarks

Our deliveries and performances take place in accordance with the Terms of Delivery and Payment below which are an integral part of our supply contracts. They preclude the customer's Conditions of Purchase even if we do not oppose them explicitly. All verbal agreements or promises or arrangements modifying these Terms shall require our confirmation in writing to attain validity.

2. Quotations

Our quotations are subject to confirmation and non-committal. Our quotation documents such as drawings, calculation, etc., shall remain our property. Without our explicit consent, they may neither be duplicated nor disclosed in any way to third parties and shall be returned immediately on demand. The prices quoted by us are to be understood ex works, without packing. The packing shall be at customer's expense and, unless otherwise agreed, as a matter of principle will not be taken back.

We consider ourselves bound for three weeks by the prices quoted by us. In other respects the prices valid on the day of delivery shall be applicable.

3. Payment

Invoices can be paid within 8 days with a cash discount of 2%, otherwise they shall be paid strictly net within 30 days from invoice date. Cash discounts on the net invoice amount can only be granted if the customer has duly settled all outstanding accounts. The day of delivery shall be authoritative for the maturity of an invoice; the invoice date shall be of no importance.

We are not obliged to accept bills of exchange as payment. If they are accepted, this is done on account of payment, discount charges and expenses shall be borne by the customer. The same shall apply to cheques whose acceptance is not considered as cash payment. If the time allowed for payment is exceeded, we shall be entitled without request for payment to charge, from the due date, interest in the amount of the borrowing costs (bank interest and incidentals) we have to bear ourselves, at least however in an amount exceeding by 3% the applicable discount rate of Deutsche Bundesbank; we shall further be entitled to charge all costs resulting from prompt notes.

In the event of default in payment all outstanding, not yet due debts shall be payable immediately and without any deduction. We shall then, in addition, be entitled to effect an outstanding delivery only against advance payment or provision of security, and, after a reasonable period of grace, to cancel the contract or to claim damages for nonperformance.

In the event of customer's stoppage of payments, filing of an application for the opening of composition or bankruptcy proceedings all our invoices shall be due for payment. At the same time all discounts and other special allowances shall be deemed forfeited so that the customer has to pay the gross prices invoiced to him.

If it turns out after the signing of the contract that the customer's credit standing is not suited to grant him credits and allow times for payment, we shall be entitled to demand, at our option, advance payment or provision of security on account of due and not yet due claims from all existing contracts, and to refuse performance until advance payment or provision of security has been made.

Our representatives shall be entitled to accept payments only on the basis of a collection authority in writing.

4. Times of delivery

The times of delivery indicated are always approximate and not binding. The time of delivery begins on the day customer's purchase order is accepted by us, however not before all details of execution have been settled completely. A time of delivery agreed on shall be extended by the period by which the customer is delayed in his obligations to pay. Events of force majeure, congestions and obstructions of traffic, lack of means of transport, etc., as well as other breakdowns of any kind in our own plant or in the plants involved in performance, as well as other obstacles caused by official decrees making delivery difficult shall entitle us to postpone the delivery by the time the impediment lasts plus a reasonable start-up period. If we are defaulting in delivery, the customer has to grant us a reasonable period of grace. Claims for damages on account of nonperformance or delayed performance shall be excluded.

The customer may not reject partial deliveries. The time of delivery shall be deemed met if readiness for shipment is advised in time.

5. Shipment, passage of risk

Shipment shall be effected at customer's risk and expense, while the shipping route and the means of transport and of protection shall be left to our choice, any liability being excluded. Goods advised ready for shipment shall be called off immediately, otherwise we shall be entitled, like in the event of the impossibility to effect shipment, to store them at our discretion at customer's risk and expense and to invoice them as being delivered.

At the moment of delivery to the forwarding agent or the carrier, however at the moment the goods are leaving the plant or the storeroom at the latest, the risk will pass to the customer, even if we have to deliver free place of destination using our own or third-party vehicles. Customer's complaint about shortfalls in delivery or wrong deliveries shall be brought to our notice in writing at the latest 8 days after unloading the means of transport; objections raised in this respect at a later date than mentioned above shall not engage us any more.

6. Reservation of ownership

Our deliveries shall remain in our ownership until payment of all our claims for whatever legal ground has been made, even if the purchase price of specifically designated claims has been paid. In cases of current account, the reserved ownership shall be

deemed a security for our claim for the payment of the balance of open accounts.

If the goods delivered are treated or processed by the customer, this shall take place for us excluding the acquisition of ownership by the customer pursuant to Sec. 950 of the German Civil Code (BGB), though without engaging us.

If the goods are processed together with goods or objects not owned by us, we shall acquire the co-ownership of the new corporeal thing at the ratio existing between the value of the goods supplied by us and the value of the other goods at the time of processing. In terms of these conditions the new corporeal thing shall be considered a conditional commodity. If our goods are mixed with or connected to other goods, the customer shall by now assign his rights of ownership or of co-ownership in the mixed stocks or the new commodity to us; he shall keep these for us with the diligence of a prudent businessman. The customer shall be entitled to resell the conditional commodity in the ordinary course of business. In this case he herewith assigns to us, by now, the purchase money claim or the claim for compensation for work or other rights to compensation in the amount of the value of the conditional commodity. If a conditional commodity co-owned by us is resold, the customer shall by now assign to us his claim resulting from the sale in the amount corresponding to the value of our share in the co-ownership. The value of the conditional goods in the meaning of the provisions above shall be the value of our invoice plus a security extra charge of 20%. The rank of an assigned partial amount within the scope of the total claim accruing to the customer shall be determined by us.

The customer shall not be entitled to other dispositions of the conditional goods including their pledging and assignment as security, nor to dispositions of the claims which he has to assign to us pursuant to the provisions above.

We authorise the customer, subject to revocation, to collect the claims from the resale. We shall not make use of our own authority to collect as long as the customer meets his payments. The customer shall, on request, indicate the debtors and the assigned claims to us and advise the assignment to them. We are authorised to advise the assignment to the debtors on behalf of the customer. If the value of the securities granted to us exceeds our claim by more than 20%, we shall be obliged to a respective reassignment or release at our option on customer's request. The ownership of the conditional commodity shall pass to the customer upon payment in full of all our claims from the business relationship. At the same time the claims assigned to us as a security for our claims shall be reassigned to the customer.

7. Formal complaints

Formal complaints shall be lodged in writing by the customer within 8 days after acceptance. Formal complaints lodged in due time shall not entitle the customer to withhold payments or to assert any other right of retention; a setting-off on account of possible counterclaims contested by us shall not be permissible either. Notice of defects which despite careful inspection cannot be discovered within this time limit shall be given immediately upon discovery but at the latest three months after acceptance. If

defects are recognised by us, we will at our option rectify the defects or replace the defective goods by faultless goods. Any other claims, in particular claims for cancellation of sale or claims for damages for any legal grounds shall be excluded. Warranty claims shall be excluded if the customer has already processed or treated the goods.

In respect of the compliance with specified dimensions we reserve a margin required due to manufacturing processes, so that warranty claims cannot be asserted as long as this margin is respected. If special requirements are made towards strict dimensional accuracy, such requirements shall at any rate be explicitly agreed upon in writing when the purchase order is placed. A formal complaint on account of changes made by us to the design and execution of the goods prior to delivery may not be lodged, unless the changes make it impossible for the customer to use the goods or substantially hamper such use.

8. Moulds (tooling)

1. The price of the moulds includes the costs of one-off sampling but does not include the costs of test equipment and processing fixtures, nor the costs of changes originating in customer's request. Any costs of further sampling action to be attributed to the supplier shall be for his account.

2. Unless otherwise agreed, the supplier has and retains the ownership of the moulds made for the customer either by himself or by a commissioned third party. As long as the customer meets his commitment to pay and to take delivery, the moulds shall be used for his purchase orders, only. The supplier shall be obliged to replace these moulds free of charge only if they are required to meet a production volume guaranteed to the customer. Supplier's obligation to store the moulds shall expire two years after the last delivery of parts off such moulds and previous advice to the customer.

3. If it is agreed that the customer is to be the owner of the moulds, the ownership shall pass to him after payment of the purchase price. The delivery of the moulds to the customer is replaced by the supplier's obligation to store such moulds. Independently of the customer's legal right to recover possession and of the service life of the moulds the supplier shall be entitled to its exclusive possession until acceptance of a minimum quantity to be agreed upon and/or until the expiry of a determined period of time. The supplier shall mark the moulds as third-party property and upon customer's request shall insure them at the latter's expense.

4. For moulds owned by the customer pursuant to Item 3. above and/or for moulds made available by the customer on loan, supplier's liability regarding storage and care shall be restricted to the diligence he would usually employ in his own affairs. The costs of maintenance and insurance shall be borne by the customer. Supplier's obligations shall expire if, upon completion of the purchase order and supplier's request to the customer to pick up the moulds the customer does not do so within a reasonable time limit. As long as the customer has not met his contractual obligations to full extent the supplier shall at any rate be entitled to a right of retention in the moulds.

9. Final provisions

We shall be entitled to effect over-deliveries or short deliveries of up to 10% of the quantity ordered.

The invalidity of individual provisions shall not affect the validity of the remaining provisions. Our Management's registered office shall at any rate be the place of performance. The court competent for the registered office of our business enterprise shall have the exclusive jurisdiction, also in matters of actions on dishonoured cheques or bills.

Unless otherwise stipulated in the above provisions, the customer submits himself to the regulations of the German Commercial Code. As far as products from plastic material and their respective tooling are concerned, the enclosed General Conditions of Delivery and Payment of the plastics processing industry shall be an additional basis of contract.