

GENERAL TERMS OF SALES

§1 General Terms – Application

1. Our General Terms of Sales shall apply exclusively. We do not accept terms of customers that collide with or differ from our terms, unless we had explicitly acknowledged the customers terms in writing. Our Terms of Purchasing and Delivery of Works and Services shall also apply if we, having been aware of suppliers terms that collide with or differ from our Terms of Sales, delivered the order to the customer without reservation.
2. Our Terms of Sales shall apply only towards companies in the meaning of §14 BGB (German Civil Code). Our Terms of Sales shall also apply to all future business transactions with the supplier.

§2 Quotations – Documentation for Quotations

1. Our quotations are free and non-binding. Contract executions, amendments, modifications or side agreements shall be valid only if confirmed by us in writing. If the order qualifies as a quotation according to §145 BGB (German Civil Code), we can accept it within a period of four weeks.
2. Drawings, illustrations, measures, weights or other performance data shall be binding only if explicitly agreed in writing.
3. We reserve the property and copyright titles in all illustrations, drawings, calculations and other documents. The supplier must not disclose them to third parties. In particular, this applies to written documents specified as "confidential". They may not be disclosed to third parties without our explicit prior written consent.
4. The time of delivery stated in our quotation is under reserve of the clarification of all technical details and the right and timely supply by our sub-contractors..

§3 Shipping – Passage of Risks

1. Shipping always takes place upon risk and costs of the customer ex warehouse Hamburg. The same applies to any returns.
2. The risks shall pass to the customer with the beginning of transport, even if there are split deliveries, or if we make the transport.
3. If shipment is delayed by reasons not to be borne by us, the risk shall pass on to the customer with the date of readiness for transport. In this case, we are entitled to store the shipment on costs and risks of the customer.
4. Unless the customer prescribed a special packaging, we shall choose transport routes and means upon our due discretion and without any liability. In particular, we are not liable for choosing the cheapest packaging. In as far as requested by the customer, we shall cover the delivery with transport insurance, related costs will be charged to the customer.

§4 Prices – Payment Terms

1. Unless otherwise specified in the order acknowledgement, our prices are ex warehouse Hamburg, packaging excluded. Packaging will be charged separately and will not be taken back.
2. Our prices are exclusive of legal VAT, which will be separately stated in the invoice, at the legal rates per date of invoice.
3. Deduction of cash discounts is permissible only with special written agreement.
4. Unless otherwise specified in the order acknowledgement, the purchasing price shall become due and payable net (without any deductions) within ten days of date of invoice. Bills of exchange or checks effect payment only after they have been cashed. Fees for bills of exchange and collection costs shall go on account the customer.
5. If the customer is in default with payment, we are entitled to charge default interest in the amount of 8 % p.a. above the basic interest rate as defined under §247 BGB (German Civil Code). If we can prove that we suffered a greater damage by his default, we are entitled to assert this damage. The customer is entitled to prove that we incurred no or only a smaller damage through the payment default.
6. The customer is entitled to set-off claims only if his counterclaims have been legally determined, if they are undisputed, or have been acknowledged by us. He is also entitled to withholding rights in as far as his counterclaim is based on the same contractual relationship.
7. If the delivery time is more than 8 weeks after conclusion of the contract we are legitimated to calculate the prices basing on our pricelist which is effective at the day of delivery when the costs for the raw-material, the costs for freight or customs clearance have been changed within this period.

§5 Delivery Time

1. Our stated delivery time begins conditional upon the clarification of all technological questions. Every contract is under reserve of the right and timely supply by our sub-contractors.
2. Delivery times are always understood as probable dates, even if not explicitly thus marked. Each split delivery is deemed a separate order. Compliance with our delivery obligation is conditional upon the in-time and due and proper fulfilment of the customers obligations.
3. If after we have come in default, the customer sets an appropriate remedy period, and this remedy period passes fruitless, he shall be entitled to cancel the contract. The customer is entitled to indemnification claims only if the default is due to intent or gross negligence or breach of essential obligation; otherwise, liability for indemnification shall be limited to 50% of the incurred damage.
4. The liability limitation as per section 3. does not apply if a commercial fixed business had been agreed. The same applies if the customer may assert that his interest in the fulfilment of contract has been eliminated because of our default.
5. If the customer is in default with acceptance of goods, or infringes against any other assistance obligations, we are entitled to claim the incurred damage including any additional expenses. In this case, the risk of accidental loss or accidental impairment of the purchase shall pass to the customer with the date as of which he is in default of acceptance.

§6 Warranty for Defects

1. Warranty claims of the customer are conditional on proper fulfilment of his obligations to inspect and complain as owed under §377 HGB (German Trade Code). Unless otherwise agreed in writing, we will deliver screws, nuts, threads and formed parts, or similar items according to the technological delivery terms DIN 267 or the related DIN-ISO standards and European Norms.
2. The customer is obliged to accept delivery of any excess quantities caused by production or material reasons at the acknowledged sales prices. This does not create a defect in the purchase.
3. In as far as we have to bear a defect in the purchase, we are entitled to choose either to eliminate the defect or to deliver replacement. If we chose to eliminate the defect, we are obliged to bear all costs required for elimination of defect, in particular transport, travel, labour and material costs unless these were increased by the purchase having been brought

to a place other than the place of performance.

4. The customer is entitled to cancel the agreement or to reduce the sales price only if we are not ready to eliminate the defect or to deliver replacement, or if elimination or replacement is beyond reasonable time limits by our fault.
5. Unless otherwise specified below, further claims of the customers for what legal reasons so ever are excluded. Therefore, we shall not be liable for damages that occurred not on the merchandise itself, in particular we shall not be liable for lost profits or other property damages of the customer.
6. The above exemption from liability shall not apply in as far as the damage was caused by intent or gross negligence or if life, body or health are injured. In as far as we infringe by fault against an essential contractual duty, or a "cardinal duty", the liability shall be limited to the damage typical for the contract. Otherwise, liability is excluded according to section 5.
7. The warranty period shall be six months, starting with the passage of risk. This period is a time-limited period, and shall also apply to claims for indemnification against damages consequential to defects, in as far as no claims from liability for intent are asserted.

§7 Liability Limitation

1. Liability exceeding the limits specified in §6 par. 5 and par. 6 is – regardless of the legal nature of the asserted claim – excluded.
2. The regulation according to par. 1 does not apply to claims according to §§1 4 German Product Liability Act. In as far as the liability limitation according to §6 par. 6 does not apply to claims from producers liability, according to §823 BGB (German Civil Code), our liability shall be limited to the compensation from the insurer.
3. The regulation according to par. 1 also shall not apply to initial incapability or reasonable impossibility.
4. As far as our liability is barred or limited does it apply for the personal liability of our employees, representatives and sub-contractors.

§8 Reservation of Property Title

1. We reserve the property title of the merchandise until final settlement of all payments under the delivery agreement. In case the customer infringes against the contract, in particular if he is in default with payment, we are entitled to take the merchandise back, or to cancel revoke the contract. After taking back the merchandise, we are entitled to utilize it. The earnings of utilization shall be set-off against the customers liabilities – reduced by reasonable costs of utilization.
2. In case of pledging or other interventions by third parties, the customer has to inform us immediately in writing, so that we can take action according to §771 ZPO (German Civil Proceedings Code). In as far as the third party is not capable of refunding us with the cost of the action in and out of court according to §771 ZPO (German Civil Proceedings Code), the customer shall be liable for our loss.
3. The customer is entitled to sell the merchandise to third parties in the course of proper business. However already today, he assigns all his receivables - up to the total of our invoice (including VAT) - which he earns from his sales to his customers or third parties, regardless whether the merchandise has been sold with or without further processing or refinement. Our right to collect our receivables shall remain unprejudiced. However, we covenant not to collect the receivables as long as the customer settles his payment obligations from the received earnings, is not in payment default, in particular is not subject to insolvency proceedings, and has not ceased his payments. If this is the case, we may claim that the customer informs us about assigned receivables and the debtor of same, gives us all information required for collection, hands out the pertinent documents, and informs the debtor (third party) about the assignment.
4. Processing or reforming of the merchandise by the customer is always made for us. The customer's expectancy right in the merchandise shall continue in the reformed article. If the merchandise is processed with other articles not in our property, we shall acquire co-ownership of the new article in the ratio of the objective value of the merchandise to the other processed articles at the time of processing. Otherwise, the article created by processing shall be subject to the same rights as the merchandise delivered with reservation of property title.
5. If the merchandise is inseparably merged with other articles not in our property, then we shall acquire the co-ownership of the new article in the ratio of the objective value of our merchandise to the other merged articles at the date of merging. If the merger is made in a manner that the customer's article has to be considered the main article, it shall be deemed agreed that the customer proportionally assigns co-ownership to us. The customer shall safeguard the thus created sole property or co-property for us.
6. We are obliged to release the securities owed to us upon request of the customer if and as far as the realizable value of our securities exceeds the secured receivables by more than 20%. We can decide which securities to release.

§9

Right of Cancellation

All cases of force majeure, as well as all cases of mobilization, war, unrest, strike, disturbance of operations, limitations and lack of raw materials and commodities etc. shall entitle us to rescind wholly or partly from the agreed delivery obligations. Claims for indemnification of the customer are excluded.

§10

Governing Law

All legal relationships between the parties are explicitly governed by German law. The parties herewith explicitly exclude application of the Vienna Treaty on International Trade and Commerce. The INCOTERMS as last amended shall apply as supplement.

§11

Final Clause

If one of the above terms is invalid for what reason so ever, the other terms shall remain in force. The invalid terms shall be replaced by a regulation that best suits the economic interest of the parties.

§12

Place of Jurisdiction and Place of Performance

1. If the customer is a proper businessman, the place of our registered business shall be the place of jurisdiction. However, we are also entitled to take action against the customer before the court having jurisdiction over his place of residence.
2. Unless otherwise specified in the order acknowledgement, our place of registered business shall be the place of performance.

Hamburg, December 10th, 2007