

GENERAL TERMS AND CONDITIONS OF BUSINESS

I. Applicability

These terms and conditions of business apply to all present and future transactions between us and the customer. We are under no obligation to recognise customers' terms and conditions at variance with our own which we have not expressly acknowledged, even if we have not expressly repudiated them.

II. Conditions of supply

1. Conclusion and content of contracts

- 1.1. Our quotations are without obligation. Agreements will only be valid if they have been set down in writing unless the customer can prove that this requirement was waived in a specific instance.
- 1.2. Documents accompanying quotations, such as drawings or illustrations, the provision of technical data, references to standards and statements in advertising media will only constitute guarantee declarations if expressly designated as such.
- 1.3. Variations in the article supplied from quotations, samples or trial or advance consignments are permissible, subject to compliance with the applicable DIN standards, other applicable industrial standards or the tolerances customary within the industry.

2. Prices

- 2.1. Prices do not include the costs of packing, transport, loading and unloading, insurance, setting-up, assembly or commissioning. These are to be borne by the buyer. Within the framework of statutory regulations, we will take back packing materials supplied by us if they are returned by the buyer within a reasonable period of time, carriage paid.
- 2.2. The definitive prices and value added tax charged to customers are those applicable at the time the contract was concluded.

3. Timings

- 3.1. Delivery dates or periods will only be binding if they have been agreed in writing, unless the customer can prove otherwise in a specific instance. They will be deemed to have been met if the goods have left our premises by the end of the particular day or period.

The provision of services will not become due if the customer has failed to carry out a contributory operation required for fulfilment purposes or has not made an agreed advance payment. In these cases, our obligatory delivery dates and periods will only commence on the completion of the contributory operation or on receipt of the advance payment.

- 3.2. If we fail to discharge an obligation on time, for reasons for which we are not responsible or because of hindrances or business disruptions which could not have been foreseen when the contract was concluded and which severely affect the manufacture or delivery of the object of the contract, the delivery period shall be extended by the length of time taken for the hindrance to be lifted. This will also apply if such circumstances affect our subcontractors and we are not negligent in taking precautionary or alternative measures. If the execution of the contract, either wholly or in part, is unreasonable for either party, it may withdraw from the contract.
- 3.3. Warnings and notices of extensions of time must be submitted to us by the customer in writing.

4. Deliveries, dispatches, transfer of risk, part deliveries

- 4.1. The transfer of risk to the customer will take place with the handing over of the object of the contract to a haulage contractor or to persons undertaking to transport the goods themselves and, in any case, when the goods leave the point of sale, the warehouse or (and this includes direct transactions) the supplying factory at the latest. If the dispatch or collection is delayed for reasons for which we are not responsible, the risk will pass to the customer on his receiving notification of readiness for dispatch or similar.
- 4.2. We will be entitled to make part deliveries to a reasonable extent. In the case of goods made to order or put up in standard packs,

we will be entitled to deliver overs or unders to the extent customary for the industry, or up to a minimum of 10%.

- 4.3. In the case of call-off orders, we will be entitled to manufacture the entire quantity ordered in one operation. Provision can only be made for requests for changes after the order has been placed if this is expressly agreed.

Payments for the undelivered portions of call-off orders will become due on the expiry of the agreed final date, irrespective of the incomplete status of the order. If no final date has been agreed, we will be entitled to consider outstanding debts due for payment one year at the latest after the contract was concluded.

- 4.4. If goods are exchanged for reasons for which we are not responsible, we make a pro rata handling charge of 10% of the value of the goods or a minimum of 10 euros.

5. Complaints

- 5.1. Customers are required to notify us in writing of any visible or concealed defects within five days of receipt of the goods or discovery of the defect.
- 5.2. If we are not given an opportunity to verify the existence of a defect, particularly if the goods in question or samples thereof are not made available on request, defects cannot be held against us. Any costs entailed in such instances are to be borne by the customer.

III. Terms of payment

1. Due dates and arrears

- 1.1. Our invoices become due for payment five days at the latest after the invoice date. In the case of part deliveries, invoices are made out for the goods supplied to that date.
- 1.2. If the customer fails to make payment in accordance with the due date or falls into arrears, we will be entitled to charge interest on arrears from the settlement date at the rate of 5% p.a. (in the case of consumers) and 8% p.a. (in the case of companies) above the basic rate of the German Bundesbank. This will not affect any other claims on our part.

2. Discounts

Subject to the existence of an ongoing business relationship, we will allow major industrial customers a nett period for payment of 30 days. For payments within 10 days of the invoice date, we allow a discount of 2%. Exceptionally agreed reductions or discounts will not be allowed if our debt is not paid in full or other debts are outstanding at the time of the payment. Workshop and service charges, tool costs, expenses, etc. are payable nett, immediately.

3. Right of refusal to pay, setting-off

Counterclaims not expressly acknowledged by us or established in law do not entitle the customer to withhold or set off payments.

4. Presentation/reconciliation of accounts

Objections to our accounts rendered, extracts of accounts, reconciliation statements, etc. must be submitted in writing within a period of limitation of three weeks from receipt of the document concerned. It will be sufficient if the notification is dispatched within the time limit. If no objection is made within the time limit, the statement of account will be deemed to have been approved.

If an obvious mistake comes to light at a later date, particularly in the form of erroneous calculations, both we and the customer may request that it be rectified in accordance with statutory regulations.

IV. Retention of title

1. All goods will remain our property until our debts are paid and the corresponding payment documents, including acceptors' and finance bills, have been finally discharged. The retention of title will apply to customers in respect of actual and future debts from an

ongoing business relationship, irrespective of the legal grounds on which the debt is based.

- The buyer will be entitled to dispose of the purchased goods in the ordinary course of business.
- The retention of title will extend to any articles arising out of the processing, mixing or combining of our goods, at their full value, whereby we will qualify as manufacturers. If our goods are processed, mixed or combined with those of a third party whose right of retention of title thereto persists, we will acquire co-ownership in proportion to the invoice value of the processed goods.
- Debts owed by third parties arising from the resale or processing of our goods are to be assigned to us by the buyer immediately, as a surety, either in total or in the sum of the co-owned proportion. The buyer will be empowered to collect these until countermanded or to suspend his payments to us for our account. The buyer will not be entitled to assign these debts for the purpose of their being collected by way of factoring unless the liability of the factor is established at the same time whereby our share of the debt will be paid directly by him while our debts remain unpaid by the buyer.
- Instances of access by third parties to goods and receivables belonging to us are to be notified to us by the buyer in writing without delay.
- If the customer falls into arrears of payment or fails to meet his obligations arising out of the retention of title, we may, on the expiry of a reasonable period of grace, reclaim the goods and exploit them to the best possible advantage by selling them by private contract and appropriating the proceeds of sale to the purchase price, or arrive at a settlement based on market or purchase values and deducting reasonable processing costs. This recovery will only count as withdrawal in the case of part payment transactions with a consumer.
- Neither the goods nor the debts arising in their stead may be pledged to a third party or be assigned or transferred as a surety until our debts have been paid in full.
- In the case of repair/renewal/processing orders or works contracts, we will be entitled to a lien on the articles which have come into our possession as a consequence of the order on the basis of our debts arising out of this order and earlier orders.
- If the value of the sureties exceeds our debts by more than 20%, we will release sureties of our choosing if requested to do so by the customer.

V. Protected rights for developments, copyright

- If our service takes the form of giving technical advice and, in particular, the compilation of technical proposals, the preparation of drawings or product formulations, the development and improvement of products, etc. we reserve all the rights thereto with immediate effect. This applies in particular to our intellectual property in respect of products and the physical title to all drawings, samples, models, etc.
- Any passing on (even for inspection) or any form of reforwarding or reproduction (wholly or in part) is forbidden and will impose a duty to return to us anything made or acquired in this way, without this affecting any other claims on our part. If requested, the customer has a duty to provide us with all the information or corresponding documents we may need to assert our rights, without delay. Any drawings, samples, moulds, etc. made by us are to be returned to us on request or, in any case, unrequested if the order is not placed with us.
- If we supply goods or documents to the customer's specification, the latter is to guarantee that the protected rights of third parties are not infringed thereby and to release us from any claims by third parties.

VI. Experimental parts, moulds, tools

- If the customer is required to supply us with parts so that we may execute the order, these are to be delivered carriage paid to our production site, together with the agreed surplus (or a reasonable

surplus otherwise) to allow for rejects on time, free of charge and free of any defects.

Our liability for tools, moulds and other production equipment supplied by the customer will be limited to the care appropriate to our own property. The costs of maintenance, care and any insurance required are to be borne by the customer.

- The production of experimental parts and tools and the costs of manufacture and modification of moulds are to be borne by the customer. Unless otherwise agreed, any tools and other fixtures required for the production of ordered parts will become our exclusive property. Unless otherwise confirmed, the calculated tool costs will be proportional costs.
- The accuracy of moulds and other technical fixtures made by us is to be confirmed by the customer in writing before the production starts. Samples made from all the sizes of the mould will be supplied. Confirmation of accuracy by the customer, even if given indirectly, e.g. in the form of call-off orders, will be deemed by us to constitute a binding instruction to start production without this calling for any additional verification on our part.
- Our duty of storage will cease two years at the latest after the last production batch from the mould or tool, irrespective of the customer's rights of ownership.

VII. Guarantee

- With the framework of the conditions below, our guarantee period is two years for consumers and one year for companies, calculated from the date of delivery in each case. If longer statutory guarantee periods apply in special cases, these will apply.
- If justified complaints are made within the specified period, we will either deliver fault-free goods or repair the existing goods, at our discretion. Within the framework of statutory regulations, the customer may cancel the contract or demand a reduction in price, four weeks after notification of the defect at the earliest. If the customer orders goods from us by direct reference to the catalogues, lists, etc. of our subcontractors (accessories not of our manufacture), our guarantee will be limited to the terms and conditions laid down by the said subcontractor, subject to a condition that these are known, or should be known, to the customer.
- Claims under guarantee will not be recognised if, after leaving our premises, the goods are damaged as a consequence of repairs by third parties, processing in any other way or use for any purpose other than as prescribed, or failure to observe the operating instructions, the manufacturer's provisions or any other generally known regulations.
- The costs of any repairs resulting from the fact that the customer (a company) has transferred the goods to a place other than the place of fulfilment are to be borne by the customer.
- Claims for indemnification will be recognised within the framework of the statutory regulations. Public statements on the part of our customer which substantiate the claims of the consumer will release us from our obligations if the statements are at variance with our information and are not approved by us.

VIII. Scope of liability

We accept unlimited liability for damages in a case of malice or gross negligence in respect of guarantee declarations and in the event of claims for compensation for physical injury, death or impaired health or restricted freedom. According to the Product Liability Act, we are only liable within the framework of the provisions of the said Act.

Damages to a company in cases of minor negligence are limited to the foreseeable damages typical of contracts.

Any liability for minor negligence is excluded in cases of insignificant breaches of duty and infringements of minor contractual obligations.

IX. General provisions

1. The place of fulfilment for deliveries and payments in respect of business transactions with companies is Reutlingen.
2. Provided the customer is a company, the legal venue for all disputes will be Reutlingen.
3. The law of the Federal Republic of Germany will apply, to the exclusion of the International Convention on the Sale of Goods, even in respect of transactions with foreign buyers.
4. If any of the individual provisions of these General Terms and Conditions of Business is or becomes invalid, this will not affect the legal validity of the other provisions. The parties to the contract have a duty to replace the invalid provision by another provision which most closely approaches it in its commercial effect.

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