

**Standard Business Terms
(Issue May 2009)**

**for use in business transactions with commercial enterprises
in accordance with Section 14 of the German Civil Code
Hagl GmbH, Lohbauernberg 1, 85395 Attenkirchen**

1. Applicability

1.1 The following terms of business apply to all orders exclusively.

1.2. Deviating, contradictory or additional stipulations of the Customer do not become elements of the contract unless the Contractor agrees explicitly in writing. The terms and conditions of the Contractor also apply if the Customer accepts shipments or services with the knowledge of contradictory conditions or conditions that deviate from the Contractor's terms and conditions.

1.3. Any agreements made between the Contractor and the Customer for the purpose of carrying out this contract must be put in writing in this contract.

1.4. Should one or more of the following provisions be or become null and void, the validity of the remaining provisions and the entire legal transaction shall remain unaffected.

2. Offers and conclusions of the contract

2.1. Our offers are subject to confirmation.

2.2. If the Customer wishes to receive a firm quotation it shall be in writing. As long as no agreement has been made for a shorter period of commitment, we are bound to this offer for a period of four weeks.

2.3. If the Customer has provided specifications for the manufacture, working or processing of the goods the Customer must release our supplier from any claims for loss, damage, costs or other expenses incurred as a result of the Customer's specifications causing a breach of a patent, copyright, trademark or other exclusive rights of a third party.

2.4. Upon being signed by the Customer the order is valid as a legally binding offer. The Contractor is entitled to accept this offer by presentation or mailing of an order confirmation within three weeks or by providing the ordered delivery or service to the Customer within this time period.

2.5. If the Customer withdraws from the contract after the conclusion of the contract or otherwise cancels the contract the Contractor may claim 20% of the price or the agreed remuneration for damages as a lump sum. Compensation shall be set higher or lower accordingly, based on the Contractor proving that damages are more or the Customer proving that damages are less.

2.6. The Contractor is entitled to demand an appropriate advance payment when the order is placed.

3. Prices and conditions of payment

3.1. All prices are quoted as net prices. Statutory value added tax at the level applicable at the time of billing will be stated as a separate item on the invoice. Duties, taxes, packaging, shipping costs and insurance must be paid separately. Agreed additional services will be invoiced in additional.

3.2. Discounts and rebates apply only if they have been agreed in writing.

3.3. If the cost factors relevant for pricing (manufacturing materials, energy, raw materials, wages, salary, etc.) change significantly during the time between the conclusion of the contract and the delivery provided in the contract the Contractor shall be authorised to demand a new price from the Customer as compensation for such cost increases by amending the offer price. If a settlement cannot be reached the Contractor is entitled to withdraw from the contract. In the event of a reduction in the cost factors mentioned in the first sentence and in the application

of the above regulation the Customer may claim agreement to a corresponding price reduction and, in the event of a lack of settlement, has the right to withdraw from the contract.

3.4. Provided nothing else to the contrary has been specifically agreed, payments must be made within 30 days after receipt of invoice without any deductions.

3.5. Should the Customer fall into arrears either fully or partially with his payment obligations, he must pay from this point forward - regardless of all other rights of the Contractor - interest on arrears in the amount of 8 percentage points above the base rate of the European Central Bank (ECB), provided the Contractor cannot prove higher damages.

3.6. If the Customer discontinues his payments, or if excessive indebtedness exists, an insolvency process is opened for his assets or other measures are put in place in accordance with the insolvency code, then the Contractor's total receivables shall become due immediately, even if bills of exchange or cheques with a later settlement date are in existence or if other extension agreements have been made between the parties.

3.7. The Customer may offset the claims of the Contractor only if his counterclaims have been legally established, undisputed or acknowledged in writing by the Contractor. Moreover, he is entitled to retention of goods (lien) insofar as his counterclaim is based on the same contractual relationship.

3.8. If a legitimate notification of defects is validated the Customer may only withhold payment to such an extent that is in appropriate relation to the defect that has arisen.

4. Delivery

4.1. Delivery and completion dates are only binding if they have been specifically confirmed as binding by the Contractor.

4.2. Delivery time and completion dates quoted by the Contractor shall not start until all technical questions have been clarified and all obligatory duties to cooperate have been fulfilled by the Customer in a timely manner.

4.3. If the scope of the contract is modified or amended from the original version the Contractor must immediately inform the Customer regarding the reasons for the changes and notify the Customer of a new completion date.

4.4. If a portion of the ordered goods is temporarily undeliverable the Contractor is entitled to make a partial delivery. In this case the Contractor is responsible for any additional shipping costs.

4.5. Force majeure such as storm, fire, flood or other damage to the environment as well as stoppages due to energy shortage in the operations of the Contractor or his supplier, delays in the delivery of critical components and other materials, import difficulties, operating or traffic delays, strikes or lockouts, which temporarily prevent the Contractor, through no fault of his own, from being able to deliver the goods at the agreed time stated in the contract or within the agreed period, the above mentioned dates and deadlines shall be extended for the duration of the deficiencies caused by these conditions. The Contractor must inform the Customer immediately regarding these events. If the Contractor is not able to accomplish the delivery even after the appropriate extensions have been made both Customer and Contractor are entitled to withdraw from the contract.

5. Transfer of risk and acceptance

5.1. The acceptance of the contractual goods by the Customer shall take place at the Contractor's place of operations, provided no other agreements have been made.

5.2. If the Customer wishes that the goods be transported this shall take place at his own expense and risk. The goods will be insured on specific request and at the expense of the Customer.

5.3. The risk of accidental loss or deterioration of the goods shall pass to the Customer upon being transferred to the carrier or shipper, at the latest, however, upon leaving the warehouse, even if the delivery takes place using the Contractor's own vehicle(s). This applies accordingly to partial deliveries as well.

5.4. If a default in taking delivery occurs the Contractor is entitled to charge the customary local safekeeping fee. All risks and costs for safekeeping shall be the responsibility of the Customer.

6. Liability for material defects and limitations

6.1. The Customer must inspect the goods immediately for material defects. If no inspection is made the goods shall be deemed to be according to contract. Claims for defects by the Customer assume that he has carried out his duty of inspection and requirement to give notice of defects.

6.2. If the goods are defective the Contractor shall grant subsequent performance for the defects of goods. In consideration of the type of defect and the entitled interests of the Customer the Contractor is thereby entitled to determine the type of subsequent performance (repair or replacement delivery). If subsequent performance is carried out the Contractor is responsible for any required expenditures, in particular for transport costs, travelling expenses, labour costs and material costs.

6.3. If the subsequent performance fails or is unreasonably expensive the Customer may demand a reduction in payment (reduction of purchase price) or cancellation of the contract (withdrawal). If the defects are only minimal and insignificant the Customer shall not be entitled to withdraw from the contract.

6.4. Claims for defects come under the statute of limitations after one year. The statute of limitations begins at the point the contractual object is accepted and/or delivered.

6.5. The claims for defects shall expire if it is determined that the contractual object suffered improper treatment or storage or if modifications or repairs were made to it without written authorisation by the Contractor and the defect is a result of the modifications or repairs.

6.6. Further claims by the Customer against the Contractor based on defective work are excluded, in particular claims for compensation for consequential damages such as loss of production, downtime or loss of profits. This shall not apply in cases of personal injury or damage to privately used objects according to the German Product Liability Act or in case liability is prescribed by law for intent, gross negligence or culpable infringement of significant contractual provisions.

7. Retention of title

7.1. The Contractor shall retain ownership of the goods until fulfilment of all of its claims against the Customer arising from the commercial relationship.

7.2. As long as the Contractor has ownership of the goods the Customer must immediately inform the Contractor in writing of any change in possession; this should also be done in the case of any damage or destruction of the goods. If seizure or other impairments by a third party occur the Customer must immediately inform the Contractor in writing so that the Contractor is able to initiate timely steps to ensure the safeguarding of his rights. If the third party is not able to reimburse the Contractor for court costs and extra-judicial costs the Customer is liable for the losses encountered by the Contractor.

7.3. During the effective period of the retention of title the Customer may not pledge the goods or use them as security. Resale of the goods by the Customer is authorised only with the explicit consent of the Contractor. The Customer is hereby obliged to assign to the Contractor the purchase price from the resale of conditional goods.

The Customer shall remain authorised to collect the receivables even after assignment. The Contractor's authority to collect the receivables remains unaffected by this. The Contractor is however obliged not to collect the receivables as long as the Customer continues his payment obligations from the received proceeds, does not default on payments and does not file to open insolvency proceedings or suspension of payment.

7.4. If - during the period of retention of title - the goods are processed or inseparably combined with other products not belonging to the Contractor then the Contractor shall acquire joint ownership of the new product in proportion to the market value of his product relative to the value of the other manufactured product at the time of the manufacture.

The Customer shall retain the new product with due diligence for the Contractor at no cost.

7.5. At the Customer's request the Contractor is obliged to release the collateral to which he is entitled insofar as the actual value of his collateral exceeds the value of the accounts receivable by more than 20%; the Contractor is free to choose which securities he will release.

8. Extended lien

8.1. Due to its payment claim based on the contract the Contractor has a lien on the Customer's items which are in his possession.

8.2. This contractual lien may also be asserted from claims on receivables based on previously provided work, spare parts deliveries and other services performed, as far as they relate to the item in question. For other claims resulting from the commercial relationship the right to a lien applies only insofar as they are undisputed or a legally binding title exists and the contractual item belongs to the Customer.

9. Place of fulfilment, jurisdiction and applicable law

9.1. The law of the Federal Republic of Germany shall apply.

9.2. For contracts with merchants and legal entities according to public law or special assets under public law, any disputes arising from this contract shall be settled exclusively within the jurisdiction of our registered place of business; this also applies to bills of exchange and cheque proceedings.

9.3. Place of fulfilment is our registered place of business.