

General terms and conditions of business

Terms of sale, delivery and payment

The following terms and conditions shall apply exclusively to business transactions with us, including all future transactions.

I.

1. All offers, agreements and deliveries are based exclusively on these terms and conditions. Any deviating terms and conditions of the Buyer which Franz-Josef-Höppe GmbH does not expressly recognise in writing shall not be binding for us, even if we do not expressly object to them. Deliveries by Franz-Josef-Höppe GmbH do not imply acceptance of the Buyer's terms and conditions.

2. Offers from Franz-Josef-Höppe GmbH are subject to change and non-binding unless they are expressly labelled as "binding" in writing.

II.

1. Prices: Our prices are ex works plus packaging. If the shipment is requested as fast or express delivery, the additional costs are to be borne by the Buyer. Expenses for the production of special tools will be invoiced separately. We reserve the right to increase our prices accordingly if cost increases occur after conclusion of the contract, in particular due to collective labour agreements or material price increases. We will provide evidence of this to the Buyer on request.

2. Shipping: Shipping is at the risk of the Buyer. The choice of means of transport is at our discretion.

3. Delivery obligation: Delivery periods and delivery dates are always only approximate unless they have been expressly designated as binding in writing. They refer to the time of dispatch and are complied with upon notification of readiness for dispatch. All delivery transactions are subject to correct and timely delivery to us. Delivery periods shall not commence until agreement has been reached on all details of the order. If the Buyer requests a change after confirmation of the order and if this request is accepted by Franz-Josef-Höppe GmbH, the delivery period shall only commence upon confirmation of the change. Delivery periods shall be extended - without prejudice to the Seller's rights arising from default on the part of the Buyer - by the period by which the Buyer fails to fulfil its obligations to the Seller under this contract or other contracts. If an agreed delivery date is exceeded by us by more than 2 weeks, or if the fulfilment of a due delivery obligation for which a reminder has been sent is otherwise delayed by more than 2 weeks, the Buyer shall be entitled to withdraw from the delivery contract with regard to the affected delivery

after having set us a grace period to no avail. If we are not responsible for failing to meet the delivery date, the period of grace must be at least one month and must also be reasonable in all other cases. The Buyer shall not be entitled to any other claims due to exceeding the delivery date, other delays in delivery or impossibility of delivery, irrespective of whether we are responsible for these or not. In the event of default of payment by the Buyer, the filing of an application to open insolvency proceedings or any significant deterioration in the Buyer's financial circumstances, we shall be entitled to make delivery dependent on advance payment.

4. Deviations in quantity:

30 % for quantities up to 10,000 pieces

20 % for quantities up to 25,000 pieces

15 % for quantities up to 100,000 pieces

10 % for quantities up to 1,000,000 pieces

5 % for quantities over 1,000,000 pieces

5. Acceptance: In the case of call orders, goods notified as ready for shipment must be called immediately, otherwise we shall be entitled, after issuing a reminder, to ship them at the expense and risk of the Buyer at our option or to store them at our discretion and invoice them immediately. In the case of contracts with continuous delivery, calls and classification by type for approximately equal monthly quantities shall be submitted to us, otherwise we shall be entitled to determine these at our equitable discretion. If no deadlines have been agreed for call orders, the entire quantity must be called and accepted no later than six months after conclusion of the contract.

6. Information and advice: Information on processing and application possibilities for the goods supplied by us, technical advice and other information is provided to the best of our knowledge, but is non-binding and to the exclusion of any liability. In particular, our verbal or written technical application advice does not release the Buyer from his own responsibility to check the delivered goods for their suitability for the intended processes or purposes.

The exclusion of liability shall not apply if the information has been provided within the framework of a special consultancy agreement which has been expressly designated as such.

7. The Buyer shall only be entitled to rights of retention and set-off if his counterclaims have been legally established, are undisputed or have been recognised by us.

III. General limitation of liability

1. We shall only be liable for breach of contractual and non-contractual obligations, in particular due to impossibility, default, culpa in contrahendo and unauthorised action - also for our executive employees and other vicarious agents - in cases of intent and gross negligence, limited to the damage foreseeable at the time of conclusion of the contract and typical for the contract.

2. These limitations shall not apply in the event of culpable breach of essential contractual obligations, insofar as the achievement of the purpose of the contract is jeopardised, in cases of mandatory liability under the Product Liability Act, in the event of damage to life, limb and health and also not if and insofar as we have fraudulently concealed defects in the item or guaranteed their absence. The rules on the burden of proof remain unaffected by this.

3. Unless otherwise agreed, contractual claims which arise for the Buyer against us on the occasion of or in connection with the delivery of the goods shall become time-barred one year after delivery of the goods. This time-limit also applies to goods that are used for a construction in accordance with their normal use and have caused its defectiveness. This shall not affect our liability for intentional and grossly negligent breaches of duty or the limitation period for statutory recourse claims, if any exist. In cases of subsequent fulfilment, the limitation period shall not start to run again.

IV. Reservation of title

The delivered goods remain our property until the Buyer has fulfilled all payment obligations to us. The Buyer shall be entitled to utilise or sell the goods in the ordinary course of business, provided that he fulfils his obligations to us under this contract or other contracts in due time.

Our ownership shall also extend to the new products resulting from the processing of the reserved goods which are manufactured by the Buyer for us as manufacturer within the meaning of Article 950 BGB (German Civil Code). In the event of processing, combining or mixing with items not belonging to us, we shall acquire co-ownership in direct or corresponding application of Article 947 BGB (German Civil Code). If, however, our ownership of the goods subject to reservation of title should be completely lost in individual cases as a result of combining, mixing or processing, the Buyer hereby assigns to us the items resulting from the combining, mixing or processing as security for all our claims referred to in paragraph 1. The items owned by us shall be stored by the Buyer on our behalf without the Buyer accruing any claims against us from the combining, mixing or processing or from the storage. The Buyer hereby already assigns to us all claims arising from the sale of goods subject to reservation of title, including all items owned by us in accordance with paragraph 2, together with all ancillary security rights, including bills of exchange and

cheques, as security for all our claims specified in paragraph 1. In the case of the sale of goods in which we have co-ownership in accordance with paragraph 2, the assignment shall be limited to the share of the claim corresponding to our co-ownership share. If goods subject to reservation of title are sold together with other items at a total price, the assignment shall be limited to the share in the amount of our invoice, including VAT for the goods subject to reservation of title that are also sold. In the event of processing within the framework of a contract for work and labour, the claim for remuneration for work and labour is already hereby assigned to us in the amount of the pro rata amount of our invoice including VAT for the co-processed goods subject to reservation of title. The Buyer is authorised, as long as he is willing and able to properly fulfil his obligations to us and we have not revoked the authorisation, to dispose of the goods owned by us in the ordinary course of business and to collect the claims assigned to us. If the value of the securities existing for us exceeds the claims to be secured by more than 20%, we shall release securities of our choice at the request of the Buyer.

V. Place of performance, place of jurisdiction, international sale of goods, miscellaneous

1. The place of performance for our deliveries shall be the delivery plant for deliveries ex works and our warehouse for all other deliveries. The place of jurisdiction shall be, at our discretion, the place of business of our head office or the place of business of the Buyer.

2. All legal relationships between us and the Buyer shall be governed by German non-harmonised substantive law in addition to these Terms and Conditions.

3. If the Buyer has its place of business abroad, the provisions of the UN Convention on Contracts for the International Sale of Goods (CISG) shall apply, unless stated otherwise in these Terms and Conditions. The Buyer of consumer goods pursuant to Article 475 BGB (German Civil Code) also undertakes not to exclude the application of the CISG in the event of a sale of the goods abroad. Franz-Josef-Höppe GmbH accepts no liability for the delivered goods being suitable for purposes other than those expressly agreed in writing. In the event of a breach of contract regarding performance, the Buyer undertakes to set a reasonable grace period for the fulfilment of the contractual obligations before cancelling the contract and before asserting claims for damages. This shall not apply if the circumstances make it impossible or unreasonable for the Buyer to grant a grace period. The assertion of claims for damages against the Seller is generally dependent on fault on the part of the Seller or its employees. A price reduction in accordance with Article 50 CISG is limited to the reduced value of the non-conforming goods.

4. The alleviations and exemptions from liability laid down for Franz-Josef-Höppe GmbH in these provisions



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also apply to all employees. Any amendment or cancellation of the contract as well as the assertion of all rights of the Buyer must be made in writing, whereby transmission by e-mail or fax is sufficient; the declarations must be received by us.

5. If a Buyer who is resident outside the Federal Republic of Germany or his authorised representative collects goods or transports or dispatches them abroad, the Buyer must provide us with the proof of export required for tax purposes. If this proof is not provided, the Buyer shall pay the VAT applicable to deliveries within the Federal Republic of Germany on the invoice amount.

6. In the case of deliveries from the Federal Republic of Germany to other EU member states, the Buyer must provide us with its VAT registration number prior to delivery, under which the purchase is taxed within the EU.

Otherwise, it must pay the statutory amount of VAT owed by us for our deliveries in addition to the agreed purchase price.

7. When invoicing deliveries from the Federal Republic of Germany to other EU member states, the VAT regulations of the respective recipient member state shall apply if either the Buyer is registered for VAT in another EU member state or if we are registered for VAT in the recipient member state.

VI. Severability clause

Should any of the above provisions be invalid, this shall not affect the validity of the remaining provisions.

February 2009

Franz-Josef Höppe GmbH

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