

General Terms and Conditions of Business for Goods and Services

1. Content of the contract

The following terms and conditions alone shall apply for our goods and services. The terms and conditions of business of the Buyer or of the party placing an order are rejected unless they are expressly accepted by us in writing. Other agreements shall be invalid if we do not confirm them in writing within one week. This arrangement can only be eliminated by mutual written consent.

2. Supply obligation

Our obligation to supply shall only exist for confirmed orders. The delivery period shall be stated by us as an approximation and compliance shall be effected if the item to be delivered has left our works or the Buyer has been notified that the goods are ready for dispatch by the end of the delivery period. Early delivery or performance is allowed. The same shall apply for part performances or part deliveries.

If we are prevented from supplying goods as a result of disruptions in operating procedures on our premises or at those of our supplier, which can not be averted by taking reasonable care, or we are prevented from supplying goods by labour disputes, the delivery period may be extended as appropriate. An appropriate extension shall also apply if the Buyer or party placing an order submits requests for modifications after the contract has been signed and such modifications affect deliveries. If the goods or services are rendered impossible by the Buyer or party placing an order, our obligation to supply goods or render performance shall lapse as a result.

3. Creditworthiness

We may withdraw from the contract, demand payment in advance or make our deliveries dependent upon securities being paid to us if, after the contract has been signed, we become aware of circumstances justifying doubts concerning the creditworthiness of the Buyer or party placing the order. These rights shall continue to exist even in those cases in which accounts payable are not settled in spite of payment reminders having been sent out.

4. Delivery period

If the Buyer or party placing the order is entitled to a compensation for damages if fulfilment is not rendered within a specific period, claims for compensation shall be limited to 0.5 % of the agreed remuneration for each full week of delay and up to no more than 5 % of the agreed remuneration. This upper limit shall only not apply in cases in which our liability is compulsory due to intent or gross negligence on our part.

If the Buyer or party placing the order does not take delivery of the goods in accordance with his duty to do so, in addition to meeting goods transportation costs, he shall owe the Supplier the costs of making the goods available, amounting to 1% of the price of the goods for each commenced week of the delay in taking delivery. The Supplier is at liberty to prove that the costs he has incurred are in excess of this amount and the Buyer or party placing the order is at liberty to prove that the costs incurred are less than this amount. The Supplier's other rights shall not be affected by this.

5. Prices and payment

Prices shall apply ex Works and shall, without exception, not include value added tax at the rate in force at the time of delivery. The sums invoiced shall be payable immediately in full in cash or by bank transfer unless an agreement has been made to the contrary. Cheques or drafts shall only be accepted on account of performance. Expenses incurred shall be for the account of the Buyer or party placing the order. The cost of packing shall be invoiced separately.

If after order confirmation increases in prices or wages or other factors making our goods or services more expensive occur, we shall be entitled to increase the agreed price as appropriate if more than four months elapse between the contract being signed and the goods being supplied or service rendered. The Buyer or party placing the order may only offset, or withhold payment for, counterclaims which are uncontested or which have been declared final or absolute in a court of law.

6. Dispatch and the passing of risk

In the absence of specific instructions, goods shall be dispatched at our discretion. No warranty shall be furnished by us for selecting the cheapest method of dispatch. Goods shall be dispatched at the Buyer's risk at all times, even in those cases in which it has been agreed that delivery is to be freight-free and / or packing is to be free. Risk shall pass over to the Buyer or to the party placing the order as soon as the goods have been handed over to the freight forwarder or the party placing the order has been notified that the goods are ready for dispatch.

7. Work carried out off our premises

If we have carried out assembly or wiring outside our works for a separate charge, the Buyer or party placing the order shall have to pay the hourly rates agreed when placing the order with us. In addition to this, surcharges may be invoiced separately for overtime, night shifts, work carried out on Sundays and public holidays, for work carried out under more difficult conditions as well as for planning and monitoring.

8. Rights to tools

The Buyer or party placing the order shall not acquire any rights to the tools by paying a proportion of the costs for the tools. This shall also apply if all the costs for the tools are borne by the Buyer or party placing the order. The tools may be used for general use unless it has been expressly agreed or agreed in writing that the items manufactured with the tool may only be supplied to the Buyer or party placing the order.

9. Third party proprietary rights

Orders in accordance with drawings, sketches, or other specifications handed over to us shall be carried out by us at the risk of the Buyer or party placing the order in terms of design patent and trade mark law. If as a result of carrying out such orders third party proprietary rights are infringed, the Buyer or party placing the order shall have to bear the damages we accrue as a result of the infringement.

10. Warranty and liability

The Buyer or party placing the order may only assert claims based upon a manifest defect within two weeks of acceptance, or if the acceptance test is conducted by us, within two weeks from assembly. All warranty claims shall only be valid if we are notified of the defect straight away after it has been identified and that we are provided upon request with a sample of the goods about which a complaint has been made. If proof is furnished that there is a defect, we shall, as we choose, rectify the goods so that they are in a condition in compliance with the contract, or supply a replacement to the original delivery address cost and freight-free concurrently with the return of the defective goods. If we do not rectify the defect within a reasonable subsequent period of time set for us to do so, by supplying a replacement or by carrying out a repair, the Buyer or party placing the order shall consequently be entitled to withdraw from the contract or to demand a reduction in price. Withdrawal must be carried out within a reasonable period of time. The claims of the Buyer or party placing the order shall become time-barred in two years. The period shall begin when the goods are handed over. § 438 Sentence 1 Number 2, § 479 Section 2 and § 634 a Section 1 Number 2 of the German Civil Code [BGB] shall not be affected.

No other claims asserted by the Buyer or by the party placing the order on us or our assistants shall be accepted. In particular this applies to compensation for damages not incurred by the supplied item itself. However, this exclusion shall not apply if liability is compulsory under the German Product Liability Act or in cases of intent or gross negligence on our part or in cases concerning death, personal injury and physical harm or in cases of warranted qualities. In the cases of limited liability named, the amount of liability shall be limited to the value of the order.

In the event of a delay in payment or reduction in credit rating, we may refuse to honour the warranty until payment has been made.

11. Warranted qualities

A warranted quality for which a warranty is to be furnished shall only exist if the quality has been expressly guaranteed in writing.

We provide technical advice of application to the best of our knowledge. Specifications and information about the suitability and uses of our products shall not be regarded as warranted qualities and shall not exempt the Buyer or party placing the order from conducting his own inspections. We do not guarantee anti-corrosion performance.

12. Terms and conditions of payment

Our invoices are payable at the terms and conditions stated by us. Payment must be made by means of bank transfer or by cheque, which is only accepted on account of performance. Irrespective of other claims on account of default in payment, interest shall have to be paid on our accounts at 8 % p.a. above the base rate charged at that time by the European Central Bank from the point in time at which the payment deadline is exceeded. Default interest may be set higher than 8% of we can prove that interest charged to us is in excess of the ECB base rate plus 8% or it may be set lower than this amount in the Buyer or party placing the order can prove otherwise.

13. Impossibility

If our obligation to supply goods or render a service lapses as a result of impossibility of performance for which we are to blame, the right of the Buyer or party placing the order to claim compensation for damages shall consequently be limited to 10 % of the value of that part of the goods or services which cannot be put into operation on account of impossibility of performance. This shall not apply if liability is compulsory in cases of intent or gross negligence.

14. Reservation of title

The goods supplied shall remain our property until our invoices have been settled. The reservation of title also applies for all other accounts to which we are entitled against the Buyer or party placing the order from our current business relationship. If the securities to which we are entitled exceed the account to be secured by more than 20 %, the securities shall be released

automatically. This shall be stated by GISMA GmbH upon request by the Buyer or party placing the order.

The goods subject to reservation of title shall be kept in safekeeping for us by the Buyer. The Buyer shall carry out any processing or treatment on our behalf. We shall not accrue any obligations in the event that the goods subject to reservation of title are kept in safekeeping for us are processed or treated for us. The Buyer may resell the goods subject to reservation of title in a normal commercial transaction. The Buyer or party placing the order shall assign to us here and now the accounts to which he is entitled from a resale or other legal reasons concerning the goods subject to reservation of title here and now for the amount of the accounts owed to us. We are to be notified straight away in the event of levy of execution as well as confiscation or other disposals having an adverse impact upon our title. The Buyer or party placing the order shall be liable for all the costs incurred as a result. If we assert our reservation of title or if we take the sold item in execution ourselves, this shall not be regarded as withdrawal from the contract, provided that a compulsory arrangement is not made to the contrary by law.

15. Place of fulfilment and place of jurisdiction

The place of fulfilment for all liabilities created by the business relationship with registered businesses within the meaning § 38 Section 1 of the German Code of Civil Procedure [ZPO] or legal entities under public law special funds is our principal place of business. The place of jurisdiction for such business relationships shall, as we choose, be the courts having jurisdiction for our principal place of business or where the Buyer or party placing the order has its principal place of business. All aspects of the business relationship shall be governed by the law of the Federal Republic of Germany alone, with the exception of the German law of conflicts and the UN law on sales (CISG).

Even if individual points of the contract are legally invalid, the remainder of the contract shall remain legally valid. In such a case it is to be supplemented by a legally valid provision which comes closest to the objective intended by the parties. This shall also apply in the event that there is a gap in the contract.

16. Translation

If ambiguities or discrepancies in the interpretation of the T&Cs arise between the German source text and the English target text, the German T&Cs, their meaning, and German law shall prevail.

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