

**General Terms and Conditions of
AMS Apparate-Maschinen-Systeme Technology GmbH**

(Last revised in March 2008)

Part 1: General Delivery Terms

I. Scope of application and contract conclusion

1. These terms and conditions shall apply to contractual relations between AMS Apparate-Maschinen-Systeme Technology GmbH – hereinafter referred to as the Contractor – and its customers – hereinafter referred to as the Client –.
2. These terms and conditions shall apply to all of the Contractor's services, to ongoing and also to future business relations, even if these terms and conditions are no longer expressly agreed.
3. The Contractor already hereby expressly opposes any reference by the Client to its own general terms and conditions and any possible disclaimers contained therein.
4. Silence by the Contractor with regard to the Client's deviating terms and conditions shall never be considered as consent. The Contractor's terms and conditions shall also apply to all future orders, even without a further separate agreement.
5. The Contractor's general terms and conditions shall also become part of the contract if order confirmations and orders are transmitted by fax or other electronic means, even if the order confirmation only contains a reference to the applicability of the general terms and conditions.
6. Documents handed over and statements made by the Contractor, such as e.g. illustrations, details of weights or dimensions, shall only be binding if the Contractor expressly declares these to be part of the contract or that is to say refers to these.
7. The Contractor retains its title and copyrights to samples, cost estimates, drawings, documentation and similar material and non-material information – even in electronic form. They may not be made available to third parties without the Contractor's prior written consent and must be returned at the Contractor's request.

II. Prices and payments

1. The Contractor's prices shall apply ex works plus packaging, loading and statutory VAT in the applicable statutory amount. The transport costs incurred shall be borne by the Client.
2. Unless agreed otherwise, the Client must make a down payment in the amount of 1/3 of the total amount immediately after receipt of the order confirmation, 1/3 after delivery and 1/3 after acceptance.
3. Assemblies, repairs and other services shall be invoiced separately. For work outside of the normal working times, supplements shall be charged. Travel and waiting times shall be considered as working time.
4. The Client may only assert a right of set-off or retention against claims if its counterclaims are undisputed with regard to their amount and cause or recognised by declaratory judgment.

III. Delivery, passage of risk, receipt of goods

1. The Contractor reserves the right to make part deliveries and issue partial invoices to a reasonable extent.
2. The parties agree that debts shall be collected from the debtor at its address. Deliveries shall be made ex works.
3. If acceptance is required, the date of acceptance shall determine the passage of risk. However, if the Client has undertaken the transport of the item from the place of manufacture to the place of use, the Client shall bear the risk for the duration of the transport.
4. The regulations regarding the passage of risk shall also apply if part deliveries are made or if the Contractor has undertaken other services as well.
5. If dispatch or acceptance is delayed as a result of circumstances not attributable to the Contractor, the risk shall pass to the Client from the date of notification of readiness for dispatch or acceptance. The Contractor undertakes to take out insurance requested by the Client at its expense.
6. The Client may not refuse to receive delivery due to insignificant defects or deviations from specified quantities, notwithstanding its rights to give notice of defects.

IV. Retention of title

1. Title to the goods delivered shall only pass to the Client after full payment. The Client undertakes only to resell the goods delivered in such a way that the Contractor remains the owner of goods with retained title (transferred retention of title). If this is not possible, the Contractor's consent to resell the goods delivered must be obtained. If retention of title to the goods delivered expires, this shall be replaced by the claim resulting from this (extended retention of title), which the Client shall assign to the Contractor. Furthermore, the Contractor shall retain title to the goods delivered until all of the Contractor's claims against the Client resulting from the ongoing business relationship are satisfied.
2. The Contractor undertakes to release the collateral to which it is entitled to the extent that the invoice value of the collateral exceeds the Contractor's receivables still owed more than momentarily by more than 10%.
3. The Client may neither pledge the goods delivered nor transfer ownership by way of security before the transfer of ownership. In the case of pledging or seizure or other disposals by third parties, the Client must notify the Contractor thereof without delay.
4. In the event of breach of contract on the part of the Client, in particular in the event of default of payment, the Contractor shall be entitled to take back the goods delivered following a warning notice. The Client is obliged to hand over the goods delivered. Neither the assertion of the retention of title nor the pledging of the goods delivered by the Contractor shall be considered as withdrawal.
5. An application for the commencement of insolvency proceedings concerning the Client's assets shall entitle the Contractor to withdraw from the contract and demand the immediate return of the goods delivered.

V. Delivery

1. All details provided by the Contractor about the duration of the work represent only approximate values. However, compliance with a nonetheless exceptionally firmly agreed delivery period shall require that all commercial and technical matters between the Client and the Contractor have been clarified and that the Client has fulfilled all obligations incumbent on it. If this is not the case, the delivery time shall be extended to a reasonable extent.
2. Delivery periods shall be complied with if the readiness for dispatch of the goods is notified prior to their expiry. If acceptance is required, the acceptance date and in the alternative the Contractor's notification of readiness for acceptance shall apply.
3. If the non-compliance with the delivery time is based on force majeure or events beyond the sphere of influence of the Contractor, the delivery time shall be extended to a reasonable extent. The Contractor undertakes to notify the Client as soon as possible about the end of such

events.

4. If the dispatch and / or acceptance of the goods delivered is delayed for reasons attributable to the Client, it shall bear the costs incurred through the delay.
5. The Contractor reserves the right to dispose of the goods delivered otherwise, after setting a deadline and expiry of this deadline without a result, and supply the Client within a reasonably extended period.
6. In cases of partial impossibility, the Client may only withdraw from the contract if the partial performance is demonstrably of no interest to the Client; in other respects, the Client must pay the price attributable to the part deliveries.
7. If impossibility or incapacity occurs during the delay of acceptance or through the fault of the Client, it shall remain obliged to pay consideration.
8. If neither contracting party is responsible for the impossibility, the Contractor may assert remuneration for the part of the work carried out.

VI. Acceptance

1. The goods shall be considered as accepted two weeks after the notification of readiness for acceptance by the Contractor, unless the Client gives written notice of significant defects existing within this period.
2. The Client is only entitled to refuse acceptance if the defect substantially reduces the usual and / or the contractually required use of the goods or their value. If the goods are flawed with defects which do not entitle the Client to refuse acceptance, the acceptance must take place on condition that the defect has been remedied.
3. Refusals of acceptance, objections to the acceptance or reservations about the acceptance must take place in writing without delay, stating and describing the notified defect.

VII. Warranty

1. The Client must give notice of material defects in writing without delay, stating and describing the notified defect.
2. It shall be at the Contractor's discretion whether it delivers these goods again or remedies all services that demonstrably turn out to be flawed with defects due to a circumstance occurring before the passage of risk. The Contractor retains title to parts replaced in the replacement procedure.

3. The Contractor shall not assume any warranty for the following damage, which is not attributable to fault on the part of the Contractor:

Natural wear and tear, improperly carried out interferences or repair work by the Client or third parties, inappropriate or improper use, faulty operation, assembly or commissioning, faulty or negligent treatment or improperly carried out maintenance, use of unsuitable equipment / replacement materials, defective construction work, inappropriate bedrock, hazardous environmental conditions unknown to the Contractor, physical, chemical, electrochemical and electrical influences, alterations to the goods delivered carried out without the Contractor's consent.

4. If delivery and assembly sites are outside of the Federal Republic of Germany, all costs to be borne by the Contractor for the delivery of substitute goods or the remedy of defects shall be limited to the amount of the order value.
5. In cases of culpable joint causation of defects by the Client, for example due to a failure to comply with its damage avoidance and limitation obligation, after remedying the defect, the Contractor shall have a claim for damages corresponding to the Client's joint causation.

VIII. Liability

1. Regardless of legal grounds, the Contractor is only liable in the event of intent and gross negligence, apart from in the event of injury to life, limb or health.
2. The Contractor's liability for the destruction of data shall be limited to the expenditure that would be required for its reconstruction if the data had been backed-up properly by the Client.
3. Further liability, regardless of legal grounds, in particular also for the replacement of damage that has been caused to the goods delivered themselves is excluded.
4. The Contractor is not liable for the consequences of defects for which it has not assumed any warranty under item VII. no. 3..

IX. Claims under insurance contracts

If the Contractor as jointly insured party has claims directly against the Client's insurer regarding the goods delivered, the Client hereby already gives its consent to the Contractor to assert these claims.

X. Limitation of actions

1. The limitation period for claims and rights due to defects or in connection with a defect – regardless of legal grounds – shall be one year.

2. For intentional or fraudulent conduct as well as in the event of claims under the German Product Liability Act [*Produkthaftungsgesetz*], the statutory regulations shall apply.
3. The limitation of actions shall commence from the passage of risk.

XI. Assemblies, repairs and other services

1. In the event of assemblies, repairs and other services, the Client must instruct the Contractor's staff, at its expense, about existing safety regulations and risks and take all measures necessary for the protection of persons and items at the workplace.
2. The Client must support the Contractor's staff to the required extent, at its own expense, when carrying out the work and provide the contractually required assistance.
3. The assistance by the Client must guarantee that the Contractor can start its work immediately after the arrival of its staff and this can be carried out without delay for acceptance.
4. If a repair cannot be carried out for reasons not attributable to the Contractor, services already provided by the Contractor as well as the expense incurred must be compensated by the Client.
5. Parts replaced in the replacement procedure shall become the property of the Contractor.

XII. Final provisions

1. The Contractor shall not reimburse any transport costs for the return of packaging.
2. The Client must procure the authorisations and / or export and import documents required for its use of the products at its expense.
3. The contracting parties undertake to treat all obvious, technical and commercial details not generally known that become known to it through the business relationships as trade secrets. This also applies for a period of 5 years after the end of the business relationship.
4. Any change or amendment to the order shall only be valid if recorded in writing.
5. The place of performance for the Client's obligations shall be the Contractor's registered office in Limbach-Oberfrohna.
6. Should individual provisions of these terms and conditions or the contract be or become invalid in whole or in part, this shall not affect the other terms and conditions. The invalid terms and conditions shall be replaced by a regulation which conforms most closely to the regulation

originally intended by the parties.

7. The legal venue in the event of all disputes resulting from the contractual relationship shall be the Contractor's registered office in Limbach-Oberfrohna. However, the Contractor reserves the right to bring an action at the Client's legal venue.
8. The law of the Federal Republic of Germany shall apply to the exclusion of all conflict of laws provisions and the United Nations Convention on Contract for the International Sale of Goods (CISG).

Part 2: General Purchasing Terms

I. Scope of application and contract conclusion

1. These terms and conditions shall apply to contractual relations between AMS Apparate-Maschinen-System Technology GmbH – hereinafter referred to as the Customer – and its suppliers.
2. These terms and conditions shall apply to all of the Customer's services, to ongoing and also to future business relations, even if these terms and conditions are no longer expressly agreed.
3. The Customer already hereby expressly opposes any reference by the Supplier to its own general terms and conditions and any possible disclaimers contained therein.
4. Silence by the Customer with regard to the Supplier's deviating terms and conditions shall never be considered as consent. The Customer's terms and conditions shall also apply to all future orders, even without a further separate agreement.
5. The Customer's general terms and conditions shall also become part of the contract if order confirmations and orders are transmitted by fax or other electronic means, even if the order confirmation only contains a reference to the applicability of the general terms and conditions.
6. The Customer retains its title and copyrights to samples, cost estimates, drawings, documentation and similar material and non-material information – even in electronic form. They may not be made available to third parties without the Customer's prior written consent. They are expressly only to be used for the manufacture based on the Customer's order. After processing the order, they must be returned, including any copies, without being requested. They must be kept secret from third parties.

II. Offer, prices and payments

1. The Supplier is obliged to accept the Customer's order within a period of 2 weeks.
2. The price shown in the order shall be binding. Unless agreed otherwise in writing, the price shall include delivery "free domicile" including packaging. The return of the packaging shall require a separate agreement.
3. Statutory VAT is included in the price.
4. Invoices must state the order number already provided in the order. The Supplier shall be responsible for all resulting consequences due to non-compliance with this obligation.
5. Unless agreed otherwise in writing, the Customer shall pay the purchase price with 2% discount within 14 days, calculated from the time of the delivery and receipt of the invoice, or net within 30 days after receipt of the invoice.
6. The Customer may only assert rights of set-off or retention to the statutory extent.

III. Deliveries, passage of risk

1. The delivery period stated in the order shall be binding.
2. The Supplier is obliged to notify the Customer in writing without delay if circumstances occur or become evident to it which indicate that the contractually agreed delivery period cannot be met.
3. In the event of a delay in delivery, the Customer shall be entitled to the statutory claims. In particular, it is entitled to claim damages in lieu of the performance and withdraw from the contract, following the expiry of an adequate grace period without a result.
4. Unless agreed otherwise, the delivery must be made "free domicile".
5. The Supplier is obliged to state the order number to the Customer on all shipping documents and delivery notes. If it fails to do this, it must take responsibility for delays in the processing resulting from this.

IV. Warranty

1. The Customer is obliged to inspect the goods for defects and give notice of these within a reasonable period of time. The notice of defects shall be in good time if it is received within a period of 3 working days by the Supplier.

2. The Customer is entitled to statutory claims for defects without restriction. The Customer is entitled at its option to demand from the Supplier either the remedy of defects or replacement delivery. In this case, the Supplier is obliged to bear all expenses required for the purpose of remedying defects or providing replacement delivery. The Customer expressly reserves the right to assert claims for damages, in particular damages in lieu of the performance.
3. The warranty period shall be 36 months, calculated from the passage of risk.

V. Liability

1. If the Supplier is responsible for product damage, it is obliged to indemnify the Customer from claims for damages of third parties upon first request to the extent that the cause was under its control and in its organisational sphere and it itself is liable vis-à-vis third parties.
2. In this context, the Supplier is also obliged to reimburse any expenses in accordance with Sections 683, 670 of the German Civil Code [*Bürgerliches Gesetzbuch* (BGB)] which result from, or in connection with a recall campaign carried out by the Customer, unless the claim results from Sections 830, 840 BGB in conjunction with Sections 426, 254 BGB. As far as possible and reasonable, the Customer shall notify the Supplier of the content and extent of the recall action and shall give the Supplier an opportunity to comment on these.
3. The Supplier undertakes to maintain product liability insurance with coverage totalling € 10 million per personal injury / material damage claim – as a lump sum. If the Customer is entitled to more extensive claims for damages, these shall remain unaffected.

VI. Property rights

1. The Supplier warrants that no third-party property rights will be infringed in connection with its delivery within the Federal Republic of Germany, unless it furnishes documentary proof that it is not responsible for the breach of duty.
2. If a third party asserts a claim against the Customer, the Supplier is obliged to indemnify the Customer against these claims upon first written request. The Customer shall not be entitled to enter into any agreements with the third party, in particular not to conclude a settlement – without the Supplier's consent.
3. The Supplier's indemnity obligation relates to all expenses necessarily incurred by the Customer arising from or in connection with the recourse claimed by a third party.

VII. Retention of title

1. If the Customer provides parts to the Supplier, it retains title to these. Processing or remodeling by the Supplier is done for the Customer. If the Customer's goods with retained title are processed with other objects that do not belong to it, it shall obtain co-ownership of the new item in proportion of the value of its item to the other processed items at the time of the processing.
2. If the item provided by the Customer is inseparably combined with other objects which does not belong to it, it shall obtain co-ownership of the new item in proportion of the value of its item with retained title to the other combined items at the time of the mixing. If the mixing occurs in such a way that the Supplier's item can be considered as the main item, it is agreed that the Supplier shall transfer co-ownership to the Customer on a pro rata basis. The Supplier shall hold the sole ownership or the co-ownership safely for the Customer.
3. The Customer retains title to tools. The Supplier is obliged to use the tools exclusively for the manufacture of items ordered by the Customer. The Supplier is obliged to insure the tools which belong to the Customer at the reinstatement value against fire, water and theft damage. It is obliged to carry out any required service and inspection work at its own expense. It must notify the Customer immediately of any malfunctions; if it culpably fails to do this, claims for damages shall remain unaffected.

VIII. Final provisions

1. The contracting parties undertake to treat all obvious, technical and commercial details not generally known that become known to it through the business relationships as trade secrets. This also applies for a period of 5 years after the end of the business relationship.
2. Any change or amendment to the order shall only be valid if recorded in writing.
3. The legal venue in the event of all disputes resulting from the contractual relationship shall be the Customer's registered office in Limbach-Oberfrohna. However, the Customer reserves the right to bring an action at the Supplier's legal venue.
4. The place of performance for the Supplier's obligations shall be the Customer's registered office in Limbach-Oberfrohna.
5. Should individual provisions of these terms and conditions or the contract be or become invalid in whole or in part, this shall not affect the other terms and conditions. The invalid terms and conditions shall be replaced by a regulation which conforms most closely to the regulation originally intended by the parties.

6. The law of the Federal Republic of Germany shall apply to the exclusion of all conflict of laws provisions and the United Nations Convention on Contract for the International Sale of Goods (CISG).