

General Terms and Conditions of Supply

1. Sphere of validity

Only the terms and conditions below shall apply for our offers and supplies. Other terms and conditions shall only be binding on us in those cases in which we have expressly recognised them in writing.

2. Offer and Conclusion of a contract

2.1 Our offers are not binding and are subject to change without notice.

2.2 The written sales contract entered into including these General Terms and Conditions of Supply alone shall govern our legal relationships with the Buyer. Supplements and amendments to agreements made must be made in writing to be legally valid. With the exception of directors or authorised signatories, our employees are not entitled to make verbal agreements differing from written agreements. The requirement for written form shall be satisfied if the amendment or supplement is sent by fax machine. Other forms of telecommunication, in particular by e-mail, will not be accepted.

2.3 Our statements on the item to be supplied (E.g. weights, dimensions, functional values, loads, tolerances and technical data) as well as our presentations (E.g. drawings and diagrams) shall only count as approximations, unless the use of the supplied item for the intended purpose depends upon precise compliance. They are not guarantee characteristics, but descriptions or identifications of the goods or service. Tolerances normal within the trade and tolerances based upon statutory regulations or which constitute technical improvements, as well as the replacement of sub-assemblies with equivalent components are allowed, provided that they do not impair the use of the supplied items for their intended use.

2.4 We shall reserve the title or copyright to all offers and cost estimates submitted by us as well as drawings, diagrams calculations, leaflets, models, tools and other documents and accessories placed at the customer's disposal. The customer must not allow third parties access to these items themselves or to their contents without our express consent, nor may he inform third parties of them, use or reproduce them himself or allow third parties to use or reproduce them. He shall have to return all these items to us upon request and destroy any copies he may have made, if they are no longer required by him in his normal course of business or if negotiations do not result in a contract being signed.

3. Deliveries and Delivery time

3.1 Deliveries shall be ex Works. Sorted part-deliveries shall be allowed provided that they have been announced in advance and that it is reasonable for the Buyer to accept them.

3.2 Periods and dates for goods and services tentatively announced by us shall only ever be approximations, unless a fixed period or fixed date has been agreed. Provided that a dispatch has been agreed, delivery periods and delivery dates shall refer to the point in time of hand-over to the haulier, freight-forwarder or other third party appointed to transport the consignment.

3.3 If we are in default with goods or services or if it becomes impossible for us to render goods or services, regardless of whatever reason, our liability to pay compensation for damages shall consequently be limited in accordance with Number 9 of these General Terms and Conditions of Supply.

4. Price and Payment

4.1 Our prices are in EURO ex Works plus statutory value added tax, customs' duty, fees and other public levies.

4.2 Invoiced sums are to be paid in full within thirty days, unless an agreement has been made otherwise in writing. It shall be the date on which payment is credited to our account that shall determine whether payment has been made on time. Cheques shall only be regarded as payment after they have been honoured. If the Buyer fails to render payment when payment is due, interest shall be payable on the outstanding amounts at 4% p.a. from the date on which payment is due onwards. We shall still be entitled to assert a claim for interest over and above this amount and other damages in the event of default if the Buyer pays default interest of 4%.

4.3 The Buyer may only offset his counter-claims or withhold payments on account of such claims if the counter-claims are not contested by us or if they have been declared final in a court of law.

4.4 We are entitled to only supply goods or render services still outstanding against payment in advance or the furnishing of a security, if, after signing the contract, we become aware of circumstances which have the potential to reduce the creditworthiness of the Buyer significantly and as a result of which the

payment of our outstanding accounts by the Buyer under the respective contractual relationship is jeopardised.

5. Dispatch, Packing

The packing and dispatch costs shall be for the Buyer's account. The dispatch route and method shall be selected by Ecomedis GmbH. All consignments shall travel at the Buyer's risk, even if consignments are sent carriage-free.

6. Reservation of title

6.1 We shall reserve the title to the goods supplied until the purchase price for the goods has been paid in full. If the Buyer is a Businessman (Section 14 of the German Civil Code [BGB]), we shall reserve title until all accounts under the current business relationship have been paid for in full.

6.2 Provided that the Buyer is a Businessman, he shall be entitled to process and sell the goods before selling them in a proper commercial transaction. The Buyer shall not be allowed to pledge the goods or assign them by bill of sale as a security.

6.3 If the goods supplied are processed by the Buyer, it shall consequently be agreed that they are processed in our name and for our account and that we shall acquire direct title to them or – if they are processed together with items from more than one owner, or the value of the processed thing is greater than the value of the supplied goods – we shall acquire (fractional) co-ownership to the newly-created thing in proportion to the value of the goods supplied by us to the newly created thing.

6.4 In the event that the goods are resold, the Buyer shall assign here and now as a security the account created as a result of the resale against the Buyer's buyer – if the Seller (That is us) has co-ownership of the goods subject to reservation of title, a proportion of the account commensurate with the co-ownership fraction – shall be assigned to us. The same shall apply for other accounts taking the place of the supplied goods or which are created otherwise with regard to them, such as, for example, insurance claims or claims based upon unlawful acts in the event of loss or destruction. We authorise the Buyer irrevocably to collect the accounts assigned to us in his own name for our account. This collection authorisation may only be revoked by us in the event that the Buyer is in default with payments to us.

6.5 If third parties seize the supplied goods, in particular by levy of execution, the Buyer shall point out to the third party straight away that the title to the goods belongs to us and notify us of the seizure. In so far as the third party is not in a position to refund us for the court or out-of-court costs incurred in connection with this, the Buyer shall be liable to us for them.

6.6 If we withdraw from the contract in the event that the Buyer's conduct is in breach of contract – in particular that he is in default with payment, we shall be entitled to demand the return of the goods subject to reservation of title.

7. Liability for defects

7.1 If the supplied goods have defects, the Buyer shall be entitled to his statutory rights.

7.2 However, the special provisions of Number 9 shall apply for compensation claims for damages.

7.3 In addition to this, the following restrictions shall apply for contracts with Businessmen:

7.3.1 The period covered by warranty shall be one year from delivery or acceptance, if acceptance is necessary.

7.3.2 The items supplied are to be inspected carefully straight away after delivery. They shall be regarded as having been approved if we are not notified of a defect concerning manifest defects or other defects identifiable with a careful inspection straight away following delivery within two weeks from the delivery of the items supplied, or otherwise we should receive notification of a defect by the method specified in Section 2.2 Sentence 4 above within two weeks of the discovery of the default or from the point in time at which the Buyer should have been able to identify the defect given normal use of the supplied item without subjecting it to a detailed inspection. Upon request, the supplied item about which a complaint has been made is to be returned to us carriage-free. If the notified defect is justified, we shall pay the costs of the cheapest method of dispatch. This shall not apply if the costs have been increased because the supplied item is located at a location other than the location of intended use.

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7.3.3 If the supplied items have quality defects within a reasonable period of time set we shall be both obliged and entitled to choose whether to carry out a repair or to supply a replacement.

7.3.4 If components supplied by other manufacturers are defective, and we are unable to rectify them on account of licensing law or physical reasons, we shall, as we choose, assert our warranty rights against the manufacturer and supplier for the Buyer's account or assign them to the Buyer. Warranty rights may only be asserted against us for such defects subject to other preconditions being satisfied and in accordance with these General Terms and Conditions of Supply, if enforcement of the above-named claims through the courts against the manufacturer and supplier has not been successful, for example, if they have become insolvent and there is no prospect of success. The time limitation governing the Buyer's warranty rights concerned against us shall be suspended for the duration of a legal dispute.

7.4 The warranty shall lapse if the Buyer modifies the supplied item without our consent or allows it to be modified by others and as a result of this it is impossible to rectify the defect or becomes unreasonably difficult to do so. In any case the Buyer shall have to bear the additional costs incurred by the modification when a defect is rectified by us.

8. Proprietary rights

8.1 In the event that products or designs specifically prepared for a customer are supplied, the Buyer shall exempt us from all third party claims on account of a breach of industrial proprietary rights or copyrights.

8.2 Moreover, we shall vouch that the supplied item is not in breach of third party industrial proprietary rights or copyrights. Each party to the contract shall inform the other party straight away in writing if claims are asserted on account of a breach of such rights.

8.3 The following regulations shall apply for contracts with Businessmen:

8.3.1 In the event that the supplied item is in breach of a third party industrial property right or copyright, we shall, as we choose, and at our expense, modify or exchange the supplied item in such a way so that third party rights are no longer breached, but the supplied item nevertheless continues to fulfil the contractually agreed functions or procure the Buyer the right of use by entering into a licensing agreement. If we fail to do so within a reasonable period of time, the Buyer shall be entitled to withdraw from the contract or to reduce the purchase price as appropriate. Any compensation claims for damages to which the Buyer may be entitled shall be subject to the restrictions in Number 9 of these General Terms and Conditions of Supply.

8.3.2 In the event that products supplied by us are in breach of the rights of other manufacturers, we shall, as we choose, assert our claims against the Manufacturer and sub-supplier for the Buyer's account or assign them to the Buyer. Claims against us shall only exist against us in such cases in accordance with this Number 8 if attempts at enforcement of the above-named claims against the manufacturers and sub-suppliers through the courts have been unsuccessful or, for example, there is no prospect of such attempts at enforcement being successful on account of the manufacturers or the sub-suppliers being insolvent.

9 Liability for Compensation for Damages on account of being at fault

9.1 Our liability to pay compensation for damages, regardless of whatever legal reasons such liability is based, in particular on account of impossibility, default, defective or incorrect delivery, breach of contract, breach of duties when conducting contractual negotiations, and unlawful acts, shall be limited in accordance with this Number 9 provided that it is in each instance based upon us being at fault on a single occasion.

9.2 We shall not be liable

- a) In the event of ordinary negligence on the part of our executive bodies, legal representatives, salaried staff or other assistants,
 - b) In the event of gross negligence on the part of our non-senior salaried staff or other assistants,
- provided that a claim is not based upon a breach of important contractual duties. By important contractual duties is meant the duty to supply defect-free goods on time as well as our duty to provide support, our duty to protect the Buyer and to exercise proper care, the objective of which is to enable the Buyer to use the supplied item in accordance with the contract or to protect the life and limb of the Buyer's personnel or third parties or the Buyer's property from considerable damage.

9.3 Provided that the above exclusion of liability does not apply and we are liable given the reasons concerned to pay compensation for damages, this liability shall be limited to damages we foresaw when entering into the contract as a possible

consequence of being in breach of the contract or taking into consideration circumstances of which we were aware or must have known, applying the normal level of care in our line of business. In addition to the above, indirect damage and consequential damage resulting from defects in the supplied item shall only have to be made good by us to the extent that such damage is typically to be expected when using the supplied item in for its intended use.

9.4 In the event that we are liable on account of ordinary negligence, our obligation to pay compensation for property damage shall be limited to the sum of EUR 1,000,000 per claim, even if the claim is a the result of a breach of an important contractual duty.

9.5 The above exclusions and limitations of liability shall apply to the same extent for the benefit of our executive bodies, legal representatives, salaried staff and other assistants.

9.6 In so far as we pass out technical information or act in an advisory capacity, and this information or advice is not part of the contractually agreed scope of performance owed by us, it shall be given free of charge and without any liability on our part whatsoever.

9.7 The limitations in this Number 9 shall not apply for the Seller's liability on account of intentional conduct, for guaranteed characteristics of state or on account of death, personal injury or physical harm or in accordance with the German Product Liability Act.

10. Non-Disclosure, Data Protection

10.1. Ecomedis GmbH shall not allow third parties access to information of a technical or commercial nature declared as being in need of secrecy during and after the contract, for as long as, and provided that, this information has not entered the public domain by other means or the Buyer has waived confidential handling. The Buyer shall be subject to the same obligation towards us.

10.2. The Buyer agrees that we may save data from the contractual relationship in accordance with Section 28 of the German Federal Data Protection Act for the purposes of processing and we shall reserve the right to transmit the data to third parties (E.g. insurance companies) provided that this is necessary to fulfil the contract.

11. Final Provisions

(a) 11.1 Provided that the Buyer is a Businessman, the courts having jurisdiction where our company is based shall be the place of jurisdiction for any disputes arising from the business relationship. We shall however also be entitled to take legal action against the Buyer at the courts where he is based. Compulsory statutory provisions governing exclusive places of jurisdiction shall not be affected by this arrangement.

11.2 The relationships between the Seller and the Buyer shall be governed by the law of the Federal Republic of Germany.

11.3 Provided that the contract or these General Terms and Conditions of Supply have gaps, it is agreed that they are to be filled with those legally effective arrangements which the parties to the contract would have agreed given the set economic objectives of this contract and the objective of these General Terms and Conditions of Supply had they been aware of the gaps.