

General Conditions of Purchasing of:

- **Kleinsorge Verbindungstechnik GmbH**
- **Kleinsorge Global Sourcing GmbH & Co. KG**

I.

General – Scope of application

1. Our conditions of purchasing are exclusively valid; we do not accept non-conforming or from our purchasing conditions deviating terms of the supplier, unless we would have agreed in writing explicitly to its validity. Our purchasing conditions are even valid, if we accept the delivery of the supplier unconditionally in knowledge of the non-conforming or deviating conditions from our purchasing conditions of the supplier.
2. All agreements made between us and the supplier are to be laid down in this contract in writing.
3. Our purchasing conditions are only valid to businessmen/businesswomen (contractors) in accordance with § 310 section 1 of the German Civil Code.

II.

Offer – Offer documents

1. The supplier is obliged to accept our order within a period of two weeks.
2. We reserve rights of ownership and copyrights to illustrations, drawings, calculations and other documents. The documents must not be made accessible to third parties without our explicit written approval and may be used exclusively for the manufacturing due to our order; after handling of the order the documents are to be given back to us without being asked. They are to be kept a secret from third parties, in this respect the arrangement of number IX 9 (4) is valid in addition.

III. Price – Terms of payment

1. The price stated in the order is binding. In the absence of deviating written agreement the price includes delivered domicile and packaging. The return of the packaging needs special agreement.
2. The statutory value-added tax (VAT) is included in the price.
3. We can handle the invoices only if these state the reported order number according to the performance target of our order. For all consequences arising from non compliance of this obligation the supplier is responsible, as far as he does not offer evidence of proof that he is not to blame for this.
4. We pay the purchase price within 14 days, started out from delivery and invoice receiving, with 3% cash discount or within 30 days after receiving the invoice unless otherwise is agreed in writing. We reserve to pay the invoice of the supplier with bankable papers. All incurred charges and expenses are chargeable to us.
5. We are waiver customer within the framework of freight forwarder`s insurance policy/cartage insurance policy. Charged amounts are reduced.

IV. Delivery time

1. The delivery times stated in the order are binding.
2. The supplier is obliged to inform us immediately in writing if circumstances occurred or became recognizably to him that the delivery time can not be fulfilled.
3. In case of delayed delivery the statutory claims are entitled to us. In particular we are authorized to demand compensation instead of service and withdrawal after fruitless procedure of an adequate period of time. If we demand compensation the supplier will have the right to offer evidence of proof that he is not to blame for the breach of duty.
4. Provided that we get in default in acceptance or default of the debtor, the entitled claim for damages of the supplier is limited to 0,5% of the delivery value per accomplished week as far as the default is not based on intention or gross negligence.

V.
Passing of risk – Documents

1. Provided that there is no other written agreement the delivery is carried out delivered domicile.
2. The supplier is obliged to state our order number exactly on all dispatch papers and delivery notes; we are not responsible for delays in the processing if he refrains from this.

VI.
Analysis of defects – Liability for defects

1. Within adequate period of time we are obliged to test the product for possible quality deviations and quantity deviations; the notice of defect is punctual as far as it arrives at the supplier within a period of five working days started out from incoming goods or in case of hidden defects when detected.
2. The statutory claims are entitled to us in full amount; we are always authorized to demand from the supplier alternatively removal of the defect or delivery of a new product. The right of compensation, in particular the right of compensation instead of the service remains explicitly reserved.
3. We are authorized to carry out the defect removal by ourselves at the expense of the supplier if danger is ahead or special urgent need exists.
4. The term of limitation is 36 months, started out from passing of risk.

VII:
Product liability – Exemption clause – Third-party insurance cover

1. As far as the supplier is responsible for a product defect, he is obliged to exempt us at first request in this respect from claims for compensation to third parties when the cause is set in his territory and area of organization and he himself is liable in the external relation.

2. Within the framework of his liability for claims (damages) according to number 1. the supplier is also obliged to reimburse possible claims in accordance with §§ 683, 670 as well as in accordance with §§830, 840, 426 of the German Civil Code, which result from or in connection with a recall operation carried out by us. We will inform the supplier about content and size of the carried out recall operation, so far as possible and reasonable to expect, and give him occasion for his opinion. Other statutory claims remain untouchable.
3. The supplier commits himself to have a product liability insurance with an insurance cover ratio of €5 millions per personal injury/property damage – lump sum. If additional claims for compensation are entitled to us, these will remain untouchable.

VIII: Industrial property

1. The supplier will vouch that in conjunction with his delivery no rights of third parties are injured inside the Federal Republic of Germany.
2. If therefore the third party asserts claims against us, the supplier is obliged to exempt us from these claims at first written request; we are not entitled to make some agreements with the third party especially to come to an arrangement – without the approval of the supplier.
3. The indemnity bond of the supplier refers to all expenditures which arise necessarily for us from or in connection with the acceptance of an offer to use by a third party.
4. The above regulations of number 1. to 3. are not valid as far as the supplier produced the supplied articles according to drawings, models or similar other descriptions or information delivered by us and he does not know or in connection with the products developed by him he has not to know that industrial property rights are injured by that. In this respect we exempt the supplier from all claims through third parties.
5. The term of limitation is 10 years started out from conclusion of contract.

IX.

Reservation of title – Availability – Tools – Secrecy

1. Provided that we make parts available for the supplier we reserve the right of ownership on that. Processing or reconstruction from the supplier are carried out for us. If our reserve product is processed together with other products which do not belong to us we acquire the co-ownership at the new product in the proportion of the value of our product to the other processed products in the time of the processing (purchase price inclusive value added tax).
2. In case of the inseparable mixing of the reserve product with other products which do not belong to us we acquire the co-ownership at the new product in the proportion of the value of our product to the other processed products in the time of the mixing (purchase price inclusive value added tax). Occurs the mixing in a manner that the product of the supplier is to be taken as a primarily, it is agreed that the supplier transfers co-ownership proportionately to us; the supplier keeps the ownership or co-ownership for us.
3. We reserve the right of ownership at tools; the supplier is obliged to use the tools exclusively for the production of the products ordered by us. The supplier is obliged to insure the tools belonging to us for the value when new at his own expense against fire damages, damages caused by water and damages caused by theft. At the same time the supplier already transfers all claims of compensation from this insurance to us; hereby we accept the transfer. The supplier is obliged to carry out necessary maintenance and inspection operations as well as all repairs at our tools on his own expense in time. He has to report possible breakdowns immediately to us; if he refrains from this culpably, claims of compensation will remain untouchable.
4. The supplier is obliged to keep all received illustrations, drawings, calculations, other documents and information a secret strictly. To third parties they may be disclosed only with our explicit approval. After handling of this contract the secrecy obligation is also valid; it becomes extinct, when and as far as the included manufacturing knowledge in the left illustrations, drawings, calculations and other documents is become known generally.
5. On request of the suppliers we are obliged to release the security rights to our choice as far as the security rights entitled to us in accordance with number 1. and/or number 2. exceeded the purchase price of all our reserve products not paid yet around more than 10%.

X.

Court of jurisdiction – Place of performance

1. Provided that the supplier is businessman, our place of business is also court of jurisdiction; however we are entitled to sue the supplier also at his court of domicile.
2. Provided that nothing other is stated in the order our place of business is also place of performance.

State of the conditions of purchasing: January 2005