

Conditions and Terms of Delivery and Sale of:

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

1. General – Scope of Application

- 1.1 The following conditions of service and delivery provide the base for all our offers, orders, deliveries and services; they are also valid for all future business relations even if they are not agreed explicitly.
- 1.2 In this respect the business conditions of our customers are only recognized when they are in compliance with our conditions of service and delivery or when we explicitly provide these in writing in an individual case as a base of the respective contract or service.
- 1.3 Our conditions of service and delivery are only valid for companies, legal persons and Special Funds of the public law in the sense of § 310 section 1 BGB (German Civil Code).

2. Offer and Offer Documents

- 2.1 Our offers are not binding and without obligation.
- 2.2 Offers, cost forecasts, models, drawings, calculations as well as other contract- and delivery documents must not be made available to unauthorized third parties. We keep copyright and ownership at these records. Orders, agreements, promises etc. of our representatives need a written confirmation. Contractual obligations result from our confirmation of order or from our beginning with the execution of the order.
- 2.3 Complaints of conformations are to be carried out immediately, at the latest within a week in writing.
- 2.4 All information as measures, weights, warranty of quality, illustrations, samples, descriptions, sketches etc, in offers, catalogues and other printed matters are only approximately determined however in the best possible way, unless they are described explicitly as binding in the confirmation of order. The compliance of material and partly finished goods which were made available by the customers with contractual specifications or handed drawings and samples will only be checked by us in case of an explicit and written agreement.

- 2.5 Conclusions of the field service as well as telephone arrangements need our written confirmation for the efficiency.

3. Prices – Terms of Payment

- 3.1 Provided that nothing other is agreed, our prices are ex-warehouse or ex-works plus costs of transport, packaging and value added tax. On delivery ex-works the prices are determined according to the conditions of the current price list of the supplier which is valid at the date of delivery.
- 3.2 In case of small orders the current minimum contract value and minimum position value of the day are to be considered.
- 3.3 The repurchase of properly supplied and faultless products can be only taken into consideration due to an explicit, written agreement and only with the return of our sales control sheet. The customer does not have any legal claim for repurchase. The modalities of a possible repurchase are reserved to a separate, written arrangement.
- 3.4 At the present time usual and valid factors of calculation form the basis of our prices. If between contract conclusion and agreed delivery dates, salary and wage-rates of the metal incorporating industry or the costs of raw materials, for energy, auxiliary- and operating materials change, we will be authorized to adapt the prices at the discretion according to the proportion of the changed costs.
- 3.5 Without different agreements all invoices are to be paid within 30 days from date of invoice, net and without cash discount deduction. If payment is made within 10 days, we will grant 2% for cash discount as far as all due obligations to pay of former deliveries are fulfilled.
- 3.6 If own or other acceptances are given, the bill of exchange taxes and discount charges will be to account of the purchaser. Payments with bills of exchange are not regarded as cash payment and do not have any claim to cash discount. We reserve the acceptance of own or other acceptances.
- 3.7 Bills of exchange and cheques are only credited with the reservation of encashment. We do not take over guarantee for punctual showing and protesting. In case of bill of exchange protest, whether an own acceptance of the customer or not immediate settlement of a protested other acceptance, the claims of all current bills of exchange become due immediately, despite whether there are own or other acceptances.
- 3.8 Employees and representatives may receive payments only due to special mandate. So far as nevertheless payments are effected to such persons so these payments have the effect of discharge of dept only by receipt in our house.

- 3.9 Delivery in foreign countries effects against cash in advance, so far as no special agreements exist. Otherwise, the customer has to open an irrevocable documentary letter of credit at his bank and at his own expense which is to set up in our favour.
- 3.10 So far as the customer gets into default in payment with the fulfilment of an obligation, all possible further outstanding accounts are due immediately in spite of possible contrary agreements. The same will be valid, if the customer stops his payments, is heavily in debt, the adjudication in bankruptcy is of his assets or this adjudication in bankruptcy is refused for lack of substance or circumstances become known which justify reasonable doubts about the creditworthiness of the customer.
- 3.11 In the case of the default in payment of the customer, we are authorized to make further deliveries and /or services dependent on advance payment or good-faith deposits or to set up the legal claims. Received bills of exchange can be given back before lapse and immediate payment can be demanded.
- 3.12 In the case of outstanding accounts due to several deliveries and/or services, the offsetting of monies received is left to us onto the one or onto the other debt.
- 3.13 The customer will be only entitled to rights set-off, if his counterclaims are found absolutely, are undisputed or recognized by us; in addition the customer is authorized to practice the right of retention in so far as his counterclaim is based on the same contractual relationship.
- 3.14 We are authorized to assign our claims from deliveries and services for financing purposes.
- 3.15 If the customer is in default with a payment, all other outstanding accounts will become due immediately without any need for a separate notice of default.
- 3.16 For deliveries and services to customers in foreign countries is agreed explicitly that all costs of prosecution in the case of default in payment of the customer are charged to customers account, both judicial and extrajudicial.

4. Delivery Time and Performance Time

- 4.1 Delivery dates or delivery times which can be agreed obligatorily or without obligation, need the writing.
- 4.2 We are also not responsible at obligatorily agreed time limits and appointed times for delivery and service delay due to force majeure and

due to events, which complicate the delivery for us not only temporary or make the delivery impossible - that includes especially strike, lock-out, official orders and so on. Such delivery and service delays authorize us, to postpone the delivery and/or service around the duration of the hindrance plus an adequate initial period or to withdraw from the contract completely or in part because of the not yet fulfilled part.

- 4.3 If the hindrance lasts longer than two months, our customer will be authorized after an adequate additional respite to withdraw from the contract with regard to the not yet fulfilled part. If the delivery time extends or if we are relieved of our obligation, the customer can not derive any claims for damages from this.
- 4.4 Provided that we have to represent the noncompliance of obligatorily promised periods and time limits or that we are in delay, our customer has a claim of compensation for the delay of 3% of the invoice value of the deliveries and services affected by the delay, however maximal not more than 15% of the invoice value. The limitation of liability is not valid, if a commercial transaction for delivery by a fixed date was agreed, the delay of delivery based on a deliberate or gross negligent violation of contract which is attributed to us - a fault of our representatives or persons employed by us in the performance of our obligations is attributed to us - or our customer asserts legitimately that his interest in the further fulfilment of contract turned out in discontinuance;
- 4.5 We are not liable for arising delays unless a pick-up time or delivery time was agreed obligatorily.
- 4.6 The choice of shipment and means of transport under exclusion of every liability is left to us except of gross negligence and intention.
- 4.7 Part-shipments are allowed.
- 4.8 If we are liable for compensation of damages our liability will be limited on the foreseeable typical entering damage in case of simple negligence.
- 4.9 Because of a delay in delivery the customer can only withdraw according to the statutory requirements if we can not furnish evidence of missing fault.

5. Passing of Risk - Packaging

- 5.1 Deliveries and return deliveries are at customer's risk and invoice.
- 5.2 With the leaving of our factory, at the latest however with the delivery to the forwarding agent or common carrier, the risk for subjects to be processed passes into the ownership of the customer. With regard to damages in transit we are only liable for intention and gross negligence.

The liability is also excluded for simple and light negligence, as far as it is not a violation of a contractual obligation in the sense of the jurisdiction of the Federal Court of Justice.

- 5.3 If , at the request of the customer, we collect the product to be processed, the customer will bear the risk of transportation. We are free to insure this risk.
- 5.4 Packaging is always charged; for post and express consignments 2 % of the net value, at least however 1,00 EUR.
- 5.5 We supply all articles exclusively in the packaging required for their transportation (transport packaging as detailed in the packaging directive § 3, paragraph 1, No. 4). Packaging is not meant to be passed on to final customers and is therefore not packaging material as detailed in the packaging directive §3, paragraph 1, No. 2. The customer must not pass transport packaging on to the end user.

6. Liability for Defects

- 6.1 Claims for defects by the customer provide that the customer met his inspection- and reproof obligations according to § 377 HGB (Commercial Code) properly.
- 6.2 We guarantee production in compliance with good professional practise and according to the acknowledged rules of technology, the valid DIN regulations or the DIN regulations generally acknowledged in the draft; we do not take over any guarantee for the fulfilment of product specific requirements, which can be derived without difficulty neither from the single-contractual specifications nor from general knowledge according to the recognized rules of the technology.
- 6.3 An existing defect authorizes our customer to demand reworking. If the reworking fails, it will be our customer's choice to reduce the wages or resign the contract. After the unsuccessful second try, the reworking is regarded as being failed, except that something other results from the kind of the business or the defect or the other circumstances in particular.
- 6.4 We accept liability according to the statutory requirements as far as our customer can set up claims for compensation due to intention or gross negligence including intention or gross negligence of our representatives or persons employed by us in the performance of our obligations. As far as we are not accused of any deliberate violation of contract, the liability for compensation in damages is limited on the foreseeable, typically occurring damage. Excess claims for damages are excluded.
- 6.5 As far as the article to be supplied is only specified according to generic terms, we will be only liable for compensation in damages in the case of

a defect, if we do not verify that we are not responsible for the defectiveness.

- 6.6 Provided that we violate culpably an essential contractual obligation, we are liable according to statutory requirements, however on the condition that our liability for compensation in damages is limited on the foreseeable, typically occurring damage.
- 6.7 Our liability because of culpable violation of life, body or health remains untouched; this is also valid for the conclusive liability according to the Law of Product Liability.
- 6.8 As far as the customer has a claim for compensation in damages instead of the performance and instead of this requires a claim for refund of his vain expenses, this claim remains untouched according to § 284 BGB (German Civil Code). Our liability is excluded as far as no deviation is regulated above.
- 6.9 As far as the customer is entitled to a counterclaim, which is stated finally, acknowledged by us or is undisputed, he also has the right of refusal to fulfil an obligation.
In addition the customer is also entitled to the right of refusal to fulfil an obligation insofar as it is based on the same contractual relationship.
- 6.10 The term of limitation for claims for defects, which are retracted on simple negligence, is regardless of the legal warranty of such claims from the above number 6.6 twelve months, counted from passing of risk.

7. Limitation of Liability

- 7.1 A further liability on compensation in damages as provided in number 4.4 and number 6 is impossible – without regard of the legal basis of the set up claims. This is valid for claims for damages from fault at contract conclusion, because of other breach of duty or because of culpable behaviour claims for replacement of property damages according to § 823 BGB (German Civil Code).
- 7.2 As far as a liability for compensation with regard to us is impossible or limited, this is also valid with regard to the personal liability for compensation of our employees, staff, assistants, representatives and persons employed by us in the performance of our obligations.

8. Conditional Sale

- 8.1 The supplied product (reserve product) remains our property up to the fulfilment of all claims including all account balance charges from current account which we have against the customer now or in future. In

the case of the customer's behaviour contrary to contract, for example default in payment, we have the right to take back the reserve product after previous fixing of a fair time limit. If we take back the reserve product, this will represent a rescission of the contract. If we distrain the reserve product, this will be a rescission of the contract. We are entitled to utilize the reserve product after the repurchase. After deduction of an adequate amount for the utilization costs, the utilization net profit is to be charged with the amounts that are owed to us by the customer.

- 8.2 The customer has to treat the reserve product carefully and to insure it sufficiently for the value when new against fire, water damage and theft. Maintenance operations and inspections which become necessary, must be carried out at the customer's own expense in time.
- 8.3 As long as the customer does not fail to pay on due date, he is entitled to sell and/or use the reserve product properly in business connections. Pawning or hedging transfer is not allowed. Already now as a safety measure the customer transfers the debt (including all account balance debts from current account) which arise with respect to the reserve product from the resale or another right (insurance, unlawful act) to the full extent on us; with this we accept the transfer. We authorize the customer until further notice to collect the claims transferred on us for the customer's account in his own name. In the case that the customer does not perform his obligations properly the direct debit authorization can be revoked at any time. The customer is not authorized to transfer the claim, even not for the purpose of the collection of accounts in the way of the factoring, unless the obligation of the factor to bring the counter-performance in the rate of the demands immediately to us as long as we have claims against the customer, is established simultaneously.
- 8.4 Processing or restructuring of the reserve product by the customer is always carried out for us. As far as the 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 the reserve product (total invoice amount inclusive value added tax) to the other processed products in the time of the processing. For the new product arising from processing the same is valid as for the reserve product. In the case of the inseparable mixing of the reserve product with other products which do not belong to us, we acquire co-ownership at the new product in the proportion of the value of the reserve product (total invoice amount inclusive value added tax) to the other mixed products in the time of the mixing. If it is to take the product of the customer as primarily, the customer and we will agree that the customer transfers proportionate co-ownership for this product on us; with this we accept the transfer. The customer keeps our right of sole or co-ownership of the product.
- 8.5 At access of a third party on the reserve product, especially pawning, the customer will refer to our ownership and inform us immediately, so

that we can enforce our right of ownership. As far as the third party is not able to reimburse the judicial or extrajudicial charges arising in this relation, the customer is liable for this.

- 8.6 We are obliged to release our securities as far as the realizable value of our securities exceeds the debts to be safeguarded around more than 10 %, in this case we are responsible for the selection of the securities to be released.

9. Protective Covenant

- 9.1 If the customer puts samples, drawings or specific product construction specifications at our disposal, he will release us from claims of a third party in the intern and external relation in the case of violation of protective covenants.
- 9.2 On our demand the customer shall put out any statement and/or action, necessary in order to guarantee our release in the case of such a violation of protective covenants with regard to a third party.

10. Applicable Law - Place of Jurisdiction – Place of Performance

- 10.1 The Laws of the Federal Republic of Germany are valid; the validity of the CISG (United Nations Convention of Contracts for the International Sale of Goods) is excluded.
- 10.2 Our place of business Attendorn is the place of jurisdiction. However we are also entitled to bring an action against the customer at his court of residence.
- 10.3 Provided that nothing other is arranged in writing, our place of business Attendorn is place of performance.

September 2009