

I Conclusion of the contract

1. The terms and conditions of sale set forth hereinbelow are valid for any and all of our offers, deliveries and services, inclusive of information and consultancy. Unless specified otherwise *expressis verbis*, they shall also govern any and all business relationships with customers even when explicit reference will not be made thereto again by the time of conclusion of the contract.

2. Any terms and conditions other than those specified here shall not apply; this ruling is applicable also when we will not explicitly contradict to them again. Any supplements, amendments or side agreements relating to the present terms and conditions shall not be valid except upon our confirmation in writing. The same ruling shall apply to the omission of the requirement of the written form as well.

3. Our offers are subject to change unless a term of validity will have been agreed *expressis verbis*. An agreement is concluded only by our written confirmation of the customer's order or by our execution of the delivery or service as ordered without separate confirmation.

4. The use of an electronic signature in correspondence with the current state of the art and in compliance with the pertinent provisions in law will be admissible for the effective conclusion or amendment of the contract and shall be a substitute for the requirement of the written form.

II. Dates and terms

1. Specified dates and terms for our deliveries and services shall be without obligation unless a written agreement to the contrary will have been agreed *expressis verbis*. The terms will not commence before mutual consent will have been achieved about all details of the performance, before the delivery of any and all information, documents and materials to be procured by the customer and - if advance payment or down payment is agreed - before payment of the agreed price or down payment. Customer's failure to act cooperatively and omission of communication of desired modifications will result in a reasonable delay of the dates or prolongation of the terms.

2. Unforeseeable and unavoidable events (e.g. war, war-like situations, lack of energy or raw materials, sabotage, strike) as well as any other reasons of shut-down beyond our responsibility or influences from official authorities will release us from the obligation of delivery, service and performance for the period of their persistence, specifically also when they occur in the course of a delay already existing. Dates and terms will be prolonged as a result by a reasonable period of time. The same ruling shall also apply to belated or inappropriate deliveries or services on the part of our suppliers, for which we do not assume the responsibility.

3. Whenever the terms will not be observed for any other reasons the customer may demand compensation for delay in the amount of 0.5 per cent up to the total amount of 5 per cent of the value of that part of the delivery for which we are in delay per each complete week of delay - provided that the customer will have suffered damage as result of such delay and the damage can be documented. Any claims on the customer's part beyond such compensation shall be precluded in all cases of delayed delivery, also upon expiration of an additional respite possibly allowed. This preclusion shall not apply to the extent to which responsibility is obligatory, for example in cases of intent, gross negligence or damage caused to human life, physical integrity or personal health. The customer's right to cancel the contract upon unsuccessful expiration of an additional respite allowed shall not be affected by this ruling. A similar ruling shall apply by analogy to our rescission of the contract.

III. Prices and terms of payment

1. Our prices are net prices ex works (EXW, INCOTERM 2000).

2. Unless agreed otherwise *expressis verbis*, the prices will be binding within a period of one month from confirmation of the order (first confirmation). When an order confirmation will not be issued the date shall be decisive by which the order is placed. After that period we shall be authorized to consider cost increases additionally in the invoice, with due consideration of the customer's interests.

3. Unless agreed otherwise in writing *expressis verbis*, all payments shall be due 30 days after shipment of the delivery and the invoice made out to the customer, and must be made without deduction and without expenses incurred to us to the indicated place of payment. The date of receipt of the payment shall be decisive for settlement. Bills, promissory notes and cheques are accepted only upon a corresponding agreement and only as conditional payment. Settlement will occur in these cases only when we can finally dispose of the respective amount. Any and all expenses incurred in relation to bills, cheques and for discount as well as any other costs shall be borne by the customer exclusively.

4. Default in payment will occur after 30 days following the due date and receipt of the invoice. When there is no certainty about the date of receipt of the invoice the debtor will default at the latest 30 days after receipt of the valuable consideration and the due date as determined by the terms of payment.

5. When the customer defaults with a payment we shall have the option to exercise the right to charge interest on arrears in the amount of 8 percent above the base interest rate or compensation for the precisely calculated damage incurred to us as a result of such default. The provisions in Section 353 German Commercial Code shall not be affected by this ruling.

6. The customer shall have a right to set-off or retention only on the condition that his or her counterclaims will have been established in a final decree, will be uncontended or will have been accepted by us.

7. The assignment of any and all claims that the customer may reasonably demand from us to any third person shall be effective only upon our explicit approval in writing. This ruling shall not affect the provisions set forth in Section 354a German Commercial Code.

8. Whenever we will be informed about a substantial deterioration of the customer's financial situation after conclusion of a contract (e.g. when a petition is filed in insolvency, negative credit information or in the case of default in payment in the meantime) we shall be entitled to execute pending orders for deliveries or performance only upon down payment or the provision of a security in a reasonable amount, with a corresponding prolongation of possibly pending terms of delivery or performance or with delay of dates, respectively. If we will have already shipped a delivery we may demand immediate payment of our invoice, in variation from item 3 above.

IV. Delivery and passing of risks

1. In compliance with the INCOTERMS, the place of delivery shall be the place of performance, depending on the respective plant where the delivered goods are manufactured. The risk of accidental loss or accidental deterioration of the goods will pass over to the customer as soon as the goods are shipped from the place of performance. This ruling shall also apply in the case of part shipments or if we will be responsible also for other acts of performance (e.g. handling the shipment or forwarding expenditure).

2. We shall be entitled to provide part deliveries and performance in part if we will have informed the customer in due time that the back delivery will be made later within a reasonable term and if, upon inquiry, the customer may reasonably be expected to accept this proposal. Deliveries increased or short by up to 10 %, in any case by not less than 5 kg, however, shall be deemed to have been agreed. The quantities determined by us shall be decisive.

3. When a delivery will be delayed for reasons within the customer's responsibility the customer shall defray the costs incurred by the unsuccessful offer as well as by the further storage in the shipping plant or at a place of storage to be chosen at our option. The risk of accidental loss or accidental deterioration shall pass over to the customer when readiness for shipment is communicated to the customer.

V Manufacture in compliance with the customer's instructions

1. In the case of manufacture in compliance with the customer's drawings, samples and other instructions, we will not assume any warranty or responsibility for the functional fitness of the product and for any other defects as far as these conditions will be due to the customer's instructions.

2. The customer shall release us from any and all claims raised by third parties on the grounds of damage caused by the products, as far as these will be due to the customer's drawings, samples and any other instructions received from the customer. This ruling shall also apply to claims arising under the product liability provisions.

3. The customer shall warrant to us that the manufacture and delivery of the goods manufactured in compliance with his or her instructions will not infringe any third party's industrial property rights. Whenever a third party will assert rights under industrial property rights in proceedings versus our company we will be entitled to revoke the contract upon hearing the customer's arguments, unless such a third party will have withdrawn the assertion of the industrial property rights by a written statement within a reasonable period. The customer shall be obliged to provide compensation for the damage and costs incurred to us by the assertion of the industrial property rights. In the event of rescission of the contract we shall be entitled to compensation for the work on the product or the service so far rendered in correspondence with our respective invoice.

4. The moulds, tools and design documents required for execution of the order or made upon our order are our property exclusively. The customer shall not acquire any claim for them, not even if he or she will have contributed a share to the costs of the production of the moulds, tools and design documents. Unless any other agreement will have been made in writing or respective approvals must be obtained in correspondence with agreements, we shall be entitled to destroy the corresponding moulds, tools and design documents 5 years after execution of the customer's last order, or earlier.

5. We will retain the proprietary rights in all documents communicated and passed on to the customer, as well as the copyright and any other industrial property rights. It is not permissible to render the documents accessible to third parties or to use them for industrial or commercial purposes; upon our request, they must be returned immediately, together with all copies made thereof.

VI. Material made available by the customer

Whenever the customer makes parts, materials or any other substances or objects available for execution of his or her order the customer shall be responsible for their fitness and suitability. Unless agreed otherwise explicitly in writing, we will therefore not perform tests of incoming goods and tests for fitness and suitability. When the materials made available by the customer will be inapplicable or unsuitable and such unsuitability will not be obvious to us, the customer's claims for guaranty, warranty and liability on our part will be precluded. Moreover, the customer shall be bound to compensate us, in the amount of our respective invoice, for any damage incurred to us by such inapplicability, unsuitability or unfitness of the materials and to refund any additional expenditure incurred.

VII. Engineering modifications and variations in quantities

1. Unless agreed explicitly otherwise, we reserve to ourselves any necessary or expedient engineering modifications (in particular in design, selection of materials, specification, type) as far as such modifications will have been communicated to the customer before and his or her interests will have been duly considered.
2. In the production of special alloys, variations may occur in output, which are due to manufacturing technology. We shall therefore be entitled to make deliveries of increased or short quantities as far as such variations will have been communicated to the customer and if such a proposal will be reasonably acceptable in due consideration of the customer's interests. The actually shipped quantities will be invoiced only.

VIII. Warranty and testing of incoming goods

1. Within the scope of the terms and conditions set forth hereinbelow, we warrant that the delivered products or services rendered will be free of defects the time by which the risks are passed to the customer, which defects will prohibit or impair, more strongly than unsubstantially, the value or the suitability for the usual purpose or the purpose to be supposed according to the contract.

All those products or services presenting a defect of quality within the statutory period of limitation - leaving the period of service out of consideration - will be remedied, delivered or rendered anew, at the supplier's option, free of charge provided that their cause existed as early as by the time by which the risks were passed. We are neither liable for wear as a consequence of normal use nor responsible for defects caused by improper use, improper handling, treatment or storage or by non-compliance with the manufacturer's directions, mounting or operating directions. The warranty claim will become void in case of improper handling by the customer and by any third party commissioned with handling.

2. Unless agreed otherwise in writing *expressis verbis*, any and all information about our products, specifically illustrations, drawings, engineering particulars and references to standards and specifications, which are contained in our offers and pamphlets, do not represent any warranted quality or grade specifications as defined in Section 434 German Civil Code (BGB); they are only descriptions or identifiers. The same ruling applies, by way of analogy, to the delivery of samples.

3. The customer shall be responsible for inspection of the goods immediately upon receipt, even if samples had been handed over to him or her, and shall inform us immediately about defects or variations in quantity in writing. Failure to do so will be deemed to constitute acceptance or approval unless defects are involved which were not obvious by the time of testing.

4. The warranty period lasts 12 months and will commence from the date by which the products were handed over to the customer at the place of performance or on or before the date of delivery to the customer's place. As far as industrial services, including work done and materials supplied, are the subject matter of the contract in relation to objects not warrantable, the warranty period shall commence from the date of acceptance as defined in Section 640 German Civil Code (BGB).

5. We will bear the costs incurred by remedying defects (in particular costs of shipment, traveling expenses, labor and materials). To the extent to which such costs will be increased as a consequence of transfer of the objects to a place other than the customer's destination after delivery, the customer shall bear such additional costs unless such transfer will come under the scope of the intended use. Whenever remedial action will become necessary the customer shall be responsible for enabling us to take such action without delay, placing the objectionable goods at our disposition for inspection, testing and processing.

6. The customer shall defray the costs incurred by possibly unjustified complaints about defects. Global statements of costs for customer's complaints will not be acknowledged.

7. In case of failure of remedial action for elimination of defects or of a replacement delivery the customer will be entitled to demand reduction of the remuneration or to cancel the agreement, without prejudice of possible claims for damages.

8. Any variations from the agreed grade or quality, which are only unsubstantial, or only unsubstantial impairment of the suitability or fitness for use will not give reason for warranty claims.

9. To the extent to which we act as supplier of material and parts in the relationship with our customers any liability as defined in Section 478 German Civil Code (BGB) will not be incumbent on us.

10. As far as the present terms and conditions of sale and delivery will not specify provisions to the contrary, further-going claims will be precluded.

IX. Reservation of ownership and retention of title

1. We reserve to ourselves the ownership of the goods delivered and of the objects resulting from machining or processing of these goods ("conditional goods") up to complete settlement of all accounts receivable which are and will be due for payment by the customer - also if these will be legally established only after conclusion of the contract. In cases of current-account receivables the reserved ownership will secure our claims to the balance.

2. Machining or processing shall not be permitted except within the scope of the regular course of business, and will be carried out by the customer for us without any obligation deriving therefrom on our part. Whenever processing will be carried out in combination with other objects delivered either under plain or under extended reservation of ownership we will acquire co-ownership of the new objects in the ratio between the gross sales price agreed by us with the customer, on the one hand, and the corresponding value of the other objects, on the other hand.

The customer assigns to us his or her shares in co-ownership, which will be created by a possible combination or mixture of the conditional goods with other objects, as early as to date.

3. The customer will take possession of the objects being our sole property or co-property as custodian for us with the due diligence of a prudent businessman. Whenever an insurance will be effected for the conditional goods, the customer will assign to us, as early as to date, his or her claims arising under the respective insurance policy, in the case of co-ownership in the ratio of our co-ownership share to all co-ownership shares.

4. The customer has a right of disposition of the conditional goods only in the case of sale in the course of normal business and if assignment of the claims resulting therefrom to us will be ensured. The customer is not permitted to dispose of the goods in any other way (particularly by way of pledging, mortgaging and transfer of title for security).

5. The customer herewith assigns to us, for security, the claims he or she holds as a result of sale or for any other legal cause in relation to the conditional goods. If the assigned claim will be part of current accounting the customer herewith cedes to us one part of his or her claim to the balance, including the final amount, in the amount of his or her claim resulting from resale. Whenever the conditional goods will be sold after machining or processing or after combination or mixture with other products or together with other products the assignment of claims shall be deemed agreed in the amount of that part that corresponds to the gross price we have agreed with the customer plus a safety margin of 20 % of this price. The customer is authorized to collect the claims assigned to us.

6. We may revoke the authorization to dispose of the conditional goods and to collect the claims ceded to us at any time in the case of customer's failure to perform his or her contractual obligations properly.

7. The customer shall be obliged to provide us with any information desired about the conditional goods and the assigned claims at any time and to hand over to us the respective documents. When requested by us, the customer shall be bound to notify the assignment to the debtors.

8. The customer shall be obliged to notify any access or claims by any third party (including any and all measures of enforcement or execution) to the conditional goods or to assigned claims without delay, handing over to us the corresponding documents. The customer will inform any third party about our reservation of ownership and the assignment for security without delay. The customer shall bear the costs incurred by warding off such access.

9. The customer's default in payment or failure to comply with his or her obligations arising from and under these terms and conditions will enable us - without prejudice to our other rights - to take back the conditional goods, to disclose the assignment for security, and to exploit the conditional goods and the assigned claims for settlement of receivables due from the customer. In such a case, the customer shall permit immediate access to the conditional goods to us or our representative, restoring possession of these goods to us. Our claim for restitution of property or a seizure requested by us for security shall not have the effect of revocation of the contract.

X Other claims for damages

1. Claims for damages asserted by the customer, be it for any legal cause whatsoever, particularly on the grounds of non-compliance with contractual obligations under the law of obligations and for illicit acts, shall be precluded.

2. This ruling does not apply in cases where we or persons employed in the performance of our contractual obligations are liable for intent or gross negligence. The preclusion of liability shall not apply either in cases where we or persons employed in the performance of our contractual obligations are statutorily responsible for damage caused to human life, physical integrity or personal health or for assumption of a warranty for the existence of a property or feature. In the event of non-performance of essential contractual obligations on whose performance the customer may rely to a special extent, we shall also be responsible in cases of slight negligence.

3. In case of slightly negligent non-performance of essential contractual obligations as well as in case of intent and gross negligence committed by those employees and other persons employed in the performance of our contractual obligations, who are not executive employees, we shall be responsible only for the amount typically predictable in due consideration of all decisive and apparent facts and circumstances.

4. Nothing in these terms and conditions shall affect the liability under the German Act on Warranty for Products. The foregoing provisions do not involve a change in the burden of proof to the customer's disadvantage.

XI. Miscellaneous provisions

1. Our agreements and the present General Terms and Conditions of Sale for deliveries and services by Steiner GmbH & Co. shall be governed by German law, with preclusion of the United Nations Convention on contracts for the international sale of goods).

2. The possible invalidity of individual provisions of the present terms and conditions of sale shall not affect the validity of the remaining terms. Provisions that will come closest to the invalid provisions in terms of their purpose shall replace any provisions that may have become invalid.

3. Bad Berleburg shall be the place of jurisdiction for all disputes arising from and under the present agreement. We shall have the right, however, to choose also another place of jurisdiction.