

**General Standard Trade Terms and Conditions
for Sale and Delivery of Products Produced by Forschungsinstitut für Leder
und Kunststoffbahnen gmbH, Freiberg**

On principle, we deliver on the base of the below conditions of sale and delivery, only. Exceptional validity of other conditions, in particular buyer's purchase conditions, requires our express confirmation in writing.

§ 1 Offer and acceptance

1. Our offers are subject to possible change, without notice. Orders are binding for us only if, when, and as far as we have confirmed them in writing or started to carry out them. Also alterations, supplements, and oral side agreements must be confirmed in writing.
2. In our offers, supplementary clauses concerning the denomination of merchandise, e. g. "approx." ("ca."), "as delivered before" ("wie bereits geliefert"), "as before" ("wie gehabt"), or the like, only relate to the quality or quantity of merchandise, but not to the price. Such particulars in the orders and a possible confirmation will be understood by us accordingly,
3. Quantity data are always understood as approximate. Minus or plus deviations of 10 %, which are caused by safety requirements or filling conditions, are regarded as conformable to the contract. Such deviations in quantity will be taken into full account in the invoice amount.

§ 2 - Purchase price and payment

1. Our prices are ex-works prices including packing and packaging, freight, customs, etc. The prices are completed by the given statutory value-added tax amount. The prices are calculated on the base of the quantities and weights we have determined.
2. Unless agreed otherwise, invoices have to be settled in the currency agreed and without deductions within 14 days from the date of the invoice. Thereafter delay will begin, without further dunning notice.
3. We reserve the right to bill after-due-date interest amounting to 2 % above the current official discount rate of Deutsche Bundesbank. In the case of delay we are entitled to be recompensed additionally for harm caused by delayed performance.
4. Drafts and checks are accepted only in exceptional cases and on account of performance; they are considered as payment after honoring. Charges as customary in banking will be paid by the buyer.
5. The buyer may offset only indisputable and legally effective claims against our purchase money claim.

6. The buyer may retain the purchase price because of redhibitory defects until we will have decided if the notices of defects are justified or not; beyond this the buyer may do so only if he furnishes sufficient collaterals.
7. The buyer must not retain the purchase price because of notices of defects that are based on a contract other than that, from which the purchase money claim results.

§ 3 - Delivery

1. Unless a firm date has been agreed explicitly, the delivery times and dates agreed are always regarded as approximate.
2. Events caused by force majeure - public-law constraints, strike, and lockout being included - entitle us to cancel the contract. In such cases, indemnification for non-performance or delay is excluded. This also applies to not-on-time self-supply by our supplier that has not been caused by our fault.
3. We are obliged to inform the buyer about such events immediately. Then the buyer, too, will be entitled to cancel the contract. If we will be in default in delivery, the buyer will be entitled to set a reasonably extended period and to cancel the contract after the expiration of this extended period. After unsuccessful expiration of the extended period the buyer will be in no position to ask for indemnification for non-performance.

§ 4 - Shipment and acceptance

The risks of transportation ex place of delivery are always allocated to buyer's debit; this also applies to carriage-paid supplies.

§ 5 - Packing and packaging

1. As far as our supplies are made in loan casks, not later than 4 weeks after arrival at the buyer's he has to send the latter back to us void and in good order and condition on his own account and risk, or return them free to our vehicle, against confirmation of receipt.
2. If the buyer does not fulfil his commitment mentioned under paragraph 1 within the time stipulated, we will be entitled to charge him with a reasonable fee for the time exceeding 4 weeks and, after unsuccessful setting of a deadline for return, to ask for paying the replacement price, setting off the fee mentioned above against it.

§ 6 - Reservation of ownership

1. The ownership of a merchandise is passed over to the buyer only after full payment of the purchase price.
2. As long as the buyer discharges his due to us correctly, he is entitled to a redispach of the reserved merchandise in accordance with commercial customs.

3. If the buyer does not meet his payments also after setting of an extended deadline, we will be entitled to claim back the reserved merchandise without setting of a further extended deadline and without notice of rescission. Such taking back of the merchandise reserved will mean a withdrawal from the contract only if we have declared this in writing.
4. A treatment or processing of the merchandise for us does not bind us. We have the legal position of a producer in the sense of § 950 BGB and acquire ownership of intermediate and final products in the ratio of the invoice value of the merchandise reserved for us to the invoice values of other persons' merchandise; in this respect the buyer holds the merchandise for us gratuitously, as a trustee. The same applies to a use or confusion of reserved merchandise with other persons' merchandise in the sense of § 947, 948 BGB.
5. So the buyer cedes to us claims to third persons, which arise by resale of the merchandise reserved, in order to secure all our claims. If the buyer sells a merchandise, which, in accordance with paragraph 4, is our only proportionate property, he will cede to us the claims to third persons against a corresponding partial amount. If the buyer uses the reserved merchandise in the framework of a contract for work and/or services or similar contract, he will cede to us the (compensation-for-work) claim to the invoice value of our merchandise used for this purpose.
6. Under the condition of an ordinary course of business the buyer is authorized to collect the accounts resulting from a redispach of the merchandise reserved. If we have a concrete reason to fear that the buyer does not or will not discharge his liabilities to us correctly, on our request the buyer will have to inform his customers about the cession; he will have to refrain from any disposition of the liability, give us all necessary information on the stock on hand that comprises our property as well as on the claims ceded to us, and hand over to us the data and documentation required for the assertion of the claims ceded. We have to be informed immediately about cases of access of third persons to the merchandise reserved and claims ceded.
7. If the value of the collaterals, to which we are entitled, exceeds the total amount of the claim to the buyer by more than 15 %, on buyer's request we will be obliged to unblock securities of our choice.

§ 7 - Warranty rights

If, besides the legal conditions, the following conditions are met, in accordance with the legal provisions we are liable for redhibitory defects, which also include absence of properties warranted, by cancellation of sale or of contract of work and/or services, respectively, reduction of purchase price, or substitute delivery, to choice.

1. Immediately after delivery, in accordance with commercial customs the buyer has to check the merchandise and its packing.
Moreover, if the merchandise is delivered in shipping pieces, he has to check the label of each single shipping piece for accordance with the order.
2. The buyer immediately has to complain in writing about deficiency or defects.

3. If the buyer does not perform the check required or if he does not complain immediately about deficiency or a defect found or findable, he will lose his warranty rights concerning the deficiency or defects found or findable. The same applies to the case of erroneous delivery of a merchandise other than stipulated, also if the deviation is so essential that an approval of the merchandise by the buyer had to be regarded as impossible. In the case of a hidden defect the buyer has to complain about the defect immediately after its discovery. Otherwise the merchandise will be regarded as approved also with respect to this defect. At any rate, a complaint about a hidden defect will be impossible after expiration of 8 weeks from the receipt of the merchandise. This does not affect a claim for substitute delivery to replace the consignment of non-ordered merchandise.

§ 8 - Liability for consequential harm caused by defects and other harm

1. We are liable as follows below for detriment of buyer's legal assets, caused by defects of the item purchased, erroneous delivery of merchandise other than stipulated, or deficient or defective packing.

As far as it would have been possible to avoid harm by keeping of buyer's checking duties, any kind of our liability is excluded unless the harm has been caused by our legal representatives' intentional or grossly negligent behaviour.

As far as harm arises despite keeping of buyer's checking duties, we are liable only for intentional or grossly negligent breaches of the contract.

We are liable for culpably false advice, information, or recommendation only if they were made in writing.

2. Except delictual claims, one year after the act that caused the harm all claims in the sense of § 8 come under the statute of limitations.

§ 9 Final provisions

1. For fully qualified merchants the registered office of Forschungsinstitut für Leder und Kunststoffbahnen gGmbH is the place of jurisdiction. In business with non-merchants the defendant's habitual residence or registered office, respectively, is the place of jurisdiction.
2. If some of the above clauses should be or become null, the null conditions shall be replaced by such regulations that come closest to the economic objective of the contract, reasonably safeguarding the interests of both parties.

Freiberg, January 01, 2005

Forschungsinstitut für Leder und
Kunststoffbahnen gGmbH

Prof. Dr. Stoll
Managing Director

