

General Terms and Conditions of Business

1. General

1.1 All business and services of the company sssr engineering gmbh (hereinafter also referred to as "SSR") are exclusively subject to the following conditions. This shall be valid for all future business relationships as well.

1.2 Differing or additional conditions require SSR's explicit and written consent in order to become effective. A written confirmation of a verbal agreement will only become effective if it is confirmed in writing by the receiving party. All orders as well as any guarantee for certain qualities and any particular warranties require SSR's written confirmation in order to become effective. This requirement for written form can only be disclaimed by a written agreement. The customer's general terms and conditions will not become contents of the contract even if they are attached to inquiries, orders, notices of acceptance etc. and SSR does not explicitly object to them.

1.3 All quotes submitted by us will be subject to confirmation. Orders will only be considered to be accepted when they have been confirmed by us in writing. Our acknowledgement of order will be decisive for the contents of the contract unless a written opposition reaches us before or at the same time of the date of our acknowledgement of order.

1.4 In case of cancellation and oppositions reaching us after our acknowledgement of order, we will charge a cancellation fee. This fee amounts to five (5) per cent of the contract value, at least however ten (10) €.

1.5 Subsidiary agreements reached before or upon the conclusion of the contract always will require our written consent in order to become effective.

1.6 If INCOTERMS are agreed upon for international sales, the definitions of INCOTERMS 2000 specified and published by the International Chamber of Commerce in Paris will apply.

2. Prices and payments

2.1 Our prices are quoted ex works Lippstadt exclusive of packing, freight and insurance. Within the country, the statutory rate of value-added tax will be added to the prices agreed upon.

2.2 Except as otherwise provided in the acknowledgement of order, our invoices are payable strictly net within a period of 30 days after the date of the invoice. Repairs and contract works will always have to be paid immediately and strictly net.

2.3 In case of delivery to customers resident outside the Federal Republic of Germany or in case of deliveries intended for exportation out of the aforementioned territories, we will be authorised to demand establishment of an irrevocable letter of credit by a German bank or Sparkasse [special form of savings bank under public law] recognised as customs and tax guarantor and to deliver the goods against opened letter of credit only.

2.4 The customer shall not be entitled to assert a right of retention against our claims or to offset counterclaims unless they have been expressly recognised by us or have been established by final judgement.

2.5 SSR shall be authorised to assign the claims under all business relationships.

3. Delay in performance

3.1 If the customer fails to effect a payment when it becomes due, interests at the rate of four per cent (4%) per annum over the base interest rate of the European Central Bank will have to be paid for the delayed payment, SSR reserving the right to assert further claims of damages.

3.2 If the customer is in delay regarding one of his/her contractual performances, SSR will be authorised at its option to demand immediate return of the delivered goods, to withdraw from the contract or to demand damages for non-performance.

4. Delivery, passing of risk and acceptance

4.1 Shipment will always take place at the customer's expense and risk. The shipped goods will be insured against damage in transit only if explicitly requested by the customer and at his/her expense.

4.2 Risk shall pass to the customer as soon as the goods leave our works; this will apply to partial delivery as well. If the customer picks up the goods, risk will pass to the customer upon announcement of readiness for dispatch already.

4.3 Notwithstanding his/her rights under section F. of these terms and conditions of sale, delivery and payment, delivered goods will have to be accepted by the customer even if they have immaterial defects.

5. Delivery time

5.1 Binding dates of deliveries of goods or provisions of services (delivery dates) have to be agreed upon as such in writing. A period for the delivery of goods or provision of services (delivery period) shall begin upon receipt of our acknowledgement of order by the customer only, however not before production of the technical data to be provided by the customer, in case of international sales only upon establishment of the letter of credit according to section 2 item 3 of these terms and conditions of sale, delivery and payment. Modifications to or extensions of the scope of the order agreed upon after the conclusion of the contract will reasonably extend and postpone the initial delivery periods and delivery dates, respectively.

5.2 The delivery period will be considered to be met if the contract item left our works or readiness for dispatch has been announced by the time of its expiration. Partial deliveries shall be admissible.

5.3 The customer shall have the right to request from us delivery within a reasonable period of time in writing when a non-binding delivery date or a non-binding delivery period has been exceeded by two weeks. This reminder puts us in default. If we are in default, the customer will be committed to grant us an additional period of time of reasonable length in writing under penalty of refusal to accept performance. When the additional period of time has expired without result, the customer will be authorised to withdraw from the contract.

5.4 Impairments of delivery and performance due to force majeure or as a result of labour disputes, interventions by authorities, interruption of operations, difficulties in obtaining material or energy supply or any other unforeseeable exceptional circumstances for which we are not responsible, regardless in each case whether these circumstances occur in our company or at our subcontractors, will extend the delivery time by the period of the impairment. This provision

will not apply to cases in which we entered into our obligation regarding the delivery time although these circumstances were foreseeable or we did not take possible and reasonable actions in order to avoid or prevent the impairment of performance or we are ourselves responsible for the impairment. In compliance with the provisions above, we will not be liable for the circumstances mentioned even if they occur during a default already existing. We can invoke these provisions only if we inform the customer of the onset and the probable duration of such impairments immediately.

5.5 If damage arises for the customer on account of a delay we are responsible for, he/she will be entitled to claim compensation for damages. The amount of the compensation for damages is limited to 1% for every whole week of the default – individual days proportionately –, at the most 10% of the contract value. This provision will not affect our liability according to section 7, items 2 and 3 of these terms and conditions of sale, delivery and payment. With this, all claims for damage for default shall be settled. SSR does not assume any further liability in case of default; SSR shall in no case be liable for claims for damage beyond the limits set forth in the provision "Liability". This will not apply if liability is mandatory in cases of intent or gross negligence.

6. Reservation of title

6.1 The delivered goods will remain our property until complete fulfilment of all our claims under the business relationship with the customer (reserved goods), even if the individual good has already been paid. In case of current account, the reserved property shall be considered to be the security of our balance claim.

6.2 The customer shall have to insure the delivered goods against theft, breakage, fire, water and other damages until the passing of title. The customer already now assigns to us all rights under the insurance contracts and his/her claims against their insurer.

6.3 The customer must neither pledge the reserved goods nor assign them by way of security. The customer will have to inform us immediately in case of seizure or other dispositions.

6.4 If the customer completely or partially fails to effect payment when it becomes due or is in any other way in breach of contract, we will be entitled to take the reserved goods back after having sent a reminder. This will also apply in case the customer is overindebted or has ceased payments, composition or bankruptcy proceedings have been instituted against his/her assets or any other material deterioration of his/her economic situation occurs. The assertion of the reservation of title as well as a seizure of the delivered goods by us shall not be considered to be a withdrawal from the contract; § 449 paragraph 2 BGB [German Civil Code] is explicitly excluded.

6.5 If our customer resells the delivered goods on a commercial basis, he/she will be entitled to resell the delivered goods in the ordinary course of business to his/her normal conditions as long as he/she is not in default of payment. In case the customer resells the goods, the claim under the corresponding legal transaction to the amount of our invoice value is assigned to us already now. We hereby accept the declaration of assignment. The customer shall be entitled to collect the sum due even after the assignment to us until our revocation which is admissible at any time. This will not affect our authorisation to collect the sum due ourselves; we undertake, however, not to collect the claim as long as the customer duly fulfils his/her financial obligation. We will be entitled at any time to demand that the customer notifies us of the claims assigned and their debtors, provides us with any information necessary for collection, hands over the corresponding documents to us and informs the debtors of the assignment.

6.6 If reserved goods are resold by the customer together with other goods not belonging to us,

the customer will already now assign to us his/her claim against the buyer to the amount of the delivery price agreed upon between us and the customer. Processing or transformation of the reserved goods always is performed for us without us assuming any obligation. In case of further processing or combination with objects supplied by third persons, we will retain co-ownership of the new thing at the ratio of the value of the goods delivered by us to the new thing.

6.7 We undertake to release the securities we are entitled to insofar as their value exceeds the claims to be secured by more than 20%.

7. Material defect

7.1 If goods delivered by SSR have a defect, the customer may demand rectification of defects or replacement at the customer's option, replaced parts becoming property of SSR.

7.2 If the customer granted a reasonable deadline to SSR without result after a first request and SSR refused to effect supplementary performance or two attempts of supplementary performance fail, the customer will have the right to demand cancellation of the contract or reduction of the price at his/her option in case of considerable breach of duty unless otherwise required by the type of the object or the defect or other circumstances. The same will apply if a supplementary performance is unacceptable for SSR. In case of breach of duty, the customer may only demand reduction of the price.

7.3 In addition, the customer may demand compensation for damage or compensation for his/her useless expenses provided that the legal requirements are met. SSR shall in no case be liable for claims for damage beyond the limits set forth in the provision "Liability". Further claims for material defects are excluded; these restrictions of liability will not apply in case of intent and gross negligence.

7.4 There shall be no claims for material defects in case of only insignificant deviations of SSR's performance from the agreed quality or fitness for use. If SSR performed services for troubleshooting after notice of a defect and there is no material defect, the customer will have to bear the resulting costs.

7.5 Liability for material defects shall expire for those goods delivered by SSR that the customer modifies or in that he/she intervenes otherwise unless the customer proves in the context of the notice of defects that the intervention did not cause the defect.

7.6 A proper rectification of defects requires that the customer sufficiently describes the defect and it so becomes identifiable for SSR.

7.7 If the defect goes back to the defectiveness of a service performed by a subcontractor, SSR's liability will first be limited to the assignment of the claim arising from the defect SSR is entitled to against the subcontractor. If the subcontractor refuses supplementary performance or the subcontractor is not able to effect supplementary performance for other reasons, the customer's claim arising from the defect will be aimed at SSR in accordance with the liability for material defects. The statute of prescription shall be suspended for the time claims are made on the subcontractor.

7.8 Natural wear and tear shall always be excluded from warranty.

7.9 Claims of the customer for expenditure for supplementary performance, in particular transport, costs of labour and material, will be excluded insofar as the expenditures increase because the object of performance has been transported later to a place of performance other than the one agreed upon in the contract.

7.10 Any warranty will be cancelled if the customer does not handle, regularly maintain and service the object of purchase according to the operating instructions and the defect occurred is to be attributed to that fact. The same will apply if he/she does not fulfil the contractual obligations incumbent on him/her towards SSR, in particular if he/she does not effect payments on schedule.

7.11 Claims arising from a defect are subject to a limitation period of one (1) year after handing over of the goods.

8. Defect of title

8.1 If rights of third persons are infringed in the context of the delivery and corresponding claims are asserted by the holders of the rights against customers, the customer will have to inform SSR immediately upon receipt of the presentation of the claim by the third person.

8.2 All figures, drawings etc. attached to quotations and deliveries remain SSR's property and must neither be copied nor disclosed to third persons in any form without prior written consent. SSR's products are protected by law. None of SSR's products may be copied, duplicated or reproduced in any way without our prior written consent.

8.3 If a third person asserts justified claims against the customer for infringement of intellectual property rights through products delivered by SSR and used according to the contract, SSR will be liable towards the buyer as follows:

8.4 At its option and at its expense, SSR will acquire a right of use for the product, modify the product in a way so that no intellectual property right is infringed or replace the product. If this is not possible for SSR on reasonable conditions, it will take the product back against reimbursement of the purchase price.

8.5 The aforementioned obligation will apply only if SSR is informed of the claims asserted by the third party immediately, however within five (5) working days at the latest, by the buyer in writing by registered letter with advice of receipt, an infringement is not accepted by the buyer and all measures of defence and settlement negotiations are left to SSR. If the buyer stops using the product for reasons of mitigation of damages or other important reasons, he/she will be committed to point out to the third person that the stoppage of use is not associated with an acknowledgement of infringement of intellectual property rights.

8.6 Claims by the buyer will be excluded insofar as he/she himself/herself is responsible for the infringement of intellectual property rights.

8.7 Furthermore, claims by the buyer will be excluded insofar as the infringement of intellectual property rights is attributable to special specifications made by the buyer, has been caused by an application not intended by SSR, is based upon a modification of the product caused by the buyer or this product has been used together with products not delivered by SSR.

8.8 Further claims are excluded except for the right to rescind the contract.

8.9 The customer has to examine the delivered goods carefully upon receipt and to inform us of any notices of defect in writing immediately after their detection.

8.10 In case of defective delivery and/or service, the customer is entitled to rectification of defects or substitute delivery free of charge (supplementary performance) at our option. In this case we will assume the expenditure necessary for the supplementary performance (in particular

transport charges, travelling costs, costs of labour and material). If the rectification of defects or the substitute delivery fails as well, the customer may demand reduction of the purchase price and/or compensation or withdraw from the contract. Withdrawal will be excluded if the defect reduces the value or the fitness of the purchased good and/or the work in an insignificant manner only. As a rule, a rectification of defects will be considered to have failed after the second unsuccessful attempt. If we are in default of rectification of defects or substitute delivery, the customer can assert the same rights after unsuccessful expiration of an additional period granted in writing. § 440 BGB and our liability according to section I of these conditions of sale, delivery and payment.

8.11 A guarantee for the quality of the purchased good and/or the work as defined by § 443 BGB will only be applicable if assumed explicitly by us in writing, unless a purchase of consumer goods is concerned. A warranty is eliminated when the contract item has been modified without our permission, in particular by incorporation of foreign parts, and it cannot be excluded that the defect has to be attributed to that fact.

8.12 The period of warranty amounts to 1 year beginning from the delivery of the purchased good and/or in case of contract work beginning from acceptance.

8.13 We are authorised to refuse rectification of defects as long as the customer is in default regarding his/her obligations. This shall not affect a right of retention for any defects of delivery up to double the amount of rectification costs.

9. Liability

9.1 Claims for damages for all breaches of duties under the obligation and claims in tort are excluded – in particular regarding consequential damages.

9.2 Our liability for damage resulting from injury to life, body or health, for claims under the Produkthaftungsgesetz [German Product Liability Act], for express written guarantees as well as in all cases in which we are responsible for intent or gross negligence will remain unaffected.

9.3 SSR's liability for damage attributable to SSR's intentional or grossly negligent breach of duty is unlimited. In addition, SSR is liable for damage resulting from injury to life, body and health irrespective of the degree of fault or negligence as well as for damages resulting from the assumption of a guarantee according to § 276 paragraph 1 BGB irrespective of fault or negligence. If SSR assumes a guarantee for particular qualities of the goods delivered under the contract, such a guarantee will be binding for SSR only if this has been declared in writing by SSR.

9.4 SSR will be liable for damages caused by not more than slight negligence only if material contractual obligations are breached. Material contractual obligations are such obligations that were decisive for the conclusion of the contract by the customer and in the adherence to which the customer could trust. In cases of slightly negligent breaches of material contractual obligations, liability for each case of damage is limited to € 50,000.– and for other damages to € 25,000.–; for all cases of damage within a calendar year, however, at most double these amounts are applicable; if the total remuneration for a contract is lower than € 25,000.–, SSR will be liable for other damage in all up to the amount of the total remuneration.

9.5 Liability in the cases of breaches of material contractual obligations is limited to the damage foreseeable that could reasonably be expected to occur during the execution of the contract; liability for lost profit is excluded. The restriction of liability included in these terms and conditions shall not apply to claims under the Produkthaftungsgesetz.

9.6 As far as liability is excluded or restricted according to these terms and conditions, this will apply as well to the personal liability of SSR's bodies, employees, workers, staff, representatives and subcontractors.

10. Place of performance, place of jurisdiction and applicable law

10.1 Our registered office in D-59557 Lippstadt, Germany shall be exclusive place of performance for both contracting parties. If our customers are traders as defined by the Handelsgesetzbuch [German Commercial Code], Lippstadt will be agreed upon as place of jurisdiction. This will not apply to collection procedures. We are authorised, however, to assert claims at any other legal place of jurisdiction as well.

10.2 The legal relationship with our customer is subject to the law of Federal Republic of Germany except for the international laws on the sale of goods.

11. Modifications, severability clause

11.1 Modifications to these terms and conditions of sale, delivery and payment or other contractual agreements have to be set forth in writing.

11.2 Should individual parts of these conditions of sale be inoperable by law or individual contract, this will not affect the operability of the other provisions.

The management
Lippstadt, January 2008