

General Conditions of Purchase for Deliveries and Services

1. All orders will be placed on the basis of the conditions specified below. The Supplier shall accept them as binding for the present contract. Any possible business conditions of the Supplier, even though they are not contradictory to the present General Conditions of Purchase, shall only apply if they have expressly been accepted in writing by the Customer for each individual case. Even any other possible agreements deviating from the present General Conditions of Purchase shall only apply if they have expressly been accepted in writing by the Customer. The Customer shall be entitled to cancel its order without any cost incurring to it, unless the Customer has received the signed and stamped confirmation of its order within five (5) week days from the Supplier's receipt of the Customer's order. Without our prior consent, the Supplier shall not be entitled to transfer the order to any third party.

2. MBN shall be entitled to demand any changes in its scopes of orders. In this connection, the Supplier shall be immediately informed on any consequences regarding additional costs and/or cost shortfall as well as delivery times. Furthermore, additional costs become valid only after a written purchase order extension by MBN purchasing department. Modifications that will be executed without regarding this regulation and being executed without prior approval are for the account of the supplier.

3. We reserve the right to cancel our order at any time if our Customer cancels or prematurely terminates the performance of its order being the basis of our purchase order. In such case, we shall compensate the costs which have incurred to the Supplier until the time of such cancelling. Any further claims such as for any possible lost profits shall not be raised.

4. If the Supplier is delayed in delivering, and if an adequate extension granted by the Customer has also elapsed without any result, the Customer shall be entitled just to withdraw from the contract, particularly without any prior warning to do so, or claim compensation as a result of non-performance. However, the Customer shall be entitled to still insist in the implementation of the contract, even after some extension granted by them, and, in addition, to claim for compensation of the loss caused by the Supplier's delay. If the Supplier is delayed only in some part of its delivery, the Customer shall be entitled to withdraw and claim for compensation as a result of non-performance, either with respect to the said part or to the whole contract. If any exceeding of the stipulated delivery period or delivery date becomes foreseeable the Supplier shall immediately inform the Customer in writing on the reasons and the expected duration of its exceeding the delivery period or date. The rights the Customer is entitled to shall not be affected by such notification. The delivery of the goods and of the possible necessary documentation to the Customer or to its representative shall be decisive for the keeping of the stipulated delivery periods and delivery dates.

5. Unless collection by the Customer has been stipulated, the Supplier shall send the goods to the destination (forwarding address according to the order) indicated by the Customer. The goods shall be packed if their nature requires packing for shipment. Such packing must be carriage-proof and conform with the terms of carriage applying to the intended mode of transport and with any possible packing rules indicated in the order. Unless otherwise agreed upon, transport and packing costs shall be borne by the Supplier. If the transport costs shall be borne by the Customer, due to separate agreement, the Supplier shall ship the goods at as low costs as possible. The Customer can only be charged for any transport insurance costs if it has correspondingly been agreed upon. Any packing costs to be reimbursed by the Customer shall be deducted at the Supplier's costs price. Packing materials shall only be returned if it has expressly been agreed upon. Such return shall be effected on a carriage paid basis against reimbursement of the costs charged to the Customer. If consignments from different orders are provided for shipment within one calendar week such consignments shall be made ready as consolidated shipments.

Unless collection by the Customer has been stipulated, the risk of accidental loss and of accidental debasement of the goods shall only be passed to the Customer upon delivery at the destination. If the goods arrive at their destination in damaged packing, or if they are made ready in damaged packing for the stipulated collection, the Customer shall be entitled to reject the consignment without checking its contents. The charges for any possible return shall be borne by the Supplier. The Customer reserves the right to accept the goods only after having checked the delivery specification predetermined by it. Any costs such as demurrage or similar shall be borne by the Supplier. A delivery note indicating the product designation as well as the ordering and product numbers as stated in the order shall be attached to each consignment. The risks shall be transferred at the delivery address indicated by us.

6. If acceptance is prevented or considerably impeded by force majeure or any other circumstances beyond the Customer's sphere of influence, the Customer shall be entitled to postpone acceptance for the period of such circumstances. Any interventions of force majeure, fire and water damages, shortage of raw materials or transports, strikes and lockouts, discontinuities or restrictions in energy supplies as well as any comparable restraints which considerably impair the Customer's working process, the processing, sale or any other use of the goods shall be considered circumstances of the said nature. If such circumstances last longer than two (2) months the Supplier shall be entitled to withdraw from the contract if the Customer still refuses to accept the goods. Any further claims of the Supplier shall be impossible.

7. The invoices shall be separately sent to the Customer in duplicate at the day of shipment and shall indicate the order number, commission number, contain a detailed list of contents and weights and show the value-added tax. In this connection, a separate invoice shall be made out for each different value-added tax rate. Unless otherwise agreed upon, payment shall be effected within fourteen (14) days from receipt of the invoice minus 3 % discount calculated on the basis of the final amount of the invoice, or net cash within thirty (30) days.

Any set-off shall be equal to payment. If the Customer or its representative receive the invoices before the delivery of the goods the periods allowed for payment shall commence upon the delivery or, if the delivery has taken place before the stipulated delivery date, upon the delivery date.

In the event of inadequate delivery, the Customer shall be entitled to withhold payment until proper performance. In the event that only a part of the delivery is inadequate, the right to withhold payment shall only apply to the payment for such part, or the whole delivery is no longer of interest to the Customer since already a part of the same is inadequate.

Without the prior written consent of the Customer, which must not be unreasonably denied, the Supplier shall not be entitled to transfer its receivables with the Customer to any third party or have them collected by any third party.

8. The Supplier shall warrant its delivery to have the properties as assured in the contract, to correspond to the relevant legal provisions and to the established state of the art, and not to have any defects which cancel out or reduce the value or the suitability for their normal or contractual use. Furthermore, the Supplier shall warrant the delivered goods not to have been modified regarding their construction and composition as compared with earlier equivalent perfect deliveries, unless such modifications have been agreed upon with the Customer prior to the signing of the contract. For the preservation of the Customer's rights, the sending of a complaint in due time shall be sufficient. Otherwise, the legal provisions shall apply. Unless otherwise agreed upon, the warranty period shall be two (2) years from the acceptance of the goods by the Customer or its representative without any restriction in shift operation. The lapse of any warranty claims shall be interrupted by a complaint from the Customer received by the Supplier or sent to them within the warranty period. Such interruption shall apply to the whole subject of delivery if any essential parts of the goods have any defects. If any negotiations on the resolution of warranty-related differences between the Supplier and the Customer are pending such lapse shall be inhibited until one or the other party refuses continuation of the said negotiations. Such lapse shall also be inhibited as long as the Supplier is remedying the defects, or the Customer is doing so in agreement with the Supplier.

9. In so far as the Supplier is responsible for any product damage, it shall be obliged to exempt us upon our first request from any claims for compensation raised by any third party if the cause originates from the Supplier's territory, and if it is liable itself in its relationship with third parties.

10. Within the scope of its liability for cases of damage according to clause 7.1, the Supplier shall also be obliged to refund any possible expenditure according to Articles 683 and 670 as well as according to Articles 830, 840 and 426 of the German Civil Code (BGB) which result from or in connection with any call-back campaign carried through by us. If possible and reasonable, we shall have to inform the Supplier on the purpose and the extent of the call-back measures to be taken and to give it the opportunity to comment. Any other legal claims shall remain untouched.

11. The Supplier shall undertake to keep a production liability insurance with a lump sum insured of EUR five (5) million per physical injury/damage to property. If we are entitled to any further compensation the latter shall remain untouched thereby.

12. The Supplier shall guarantee that the deliveries to be made will be free of silicone.

13. Any manufacturing means such as drafts, drawings, models, samples, measuring and testing equipment, shipping instructions, test specifications, reproduction copies and similar items such as tools the Customer has left to the Supplier for the execution of the order shall remain the property of the Customer. Any manufacturing means the Supplier has made for the execution of the order and for which it has charged the Customer shall be transferred into the Customer's property at the time of their making. They shall be kept by the Supplier free of charge for the Customer until they are handed over. The aforementioned manufacturing means as well as the things made by means of them must not be used for any other purposes, copied or left to any third party without the prior written consent of the Customer. They shall be protected against unauthorized inspection and use. If it does not need them any longer to further meet the Customer's demands, the Supplier shall return them to the Customer without being asked to do so.

14. The Supplier shall vouch that no industrial property rights of any third party will be infringed by the use of the goods delivered, neither at home nor abroad. However, if any of such rights do exist it shall compensate the Customer for any loss resulting thereof. In addition, the Supplier shall be obliged to exempt the Customer from any third-party claims arising from the aforementioned property rights.

15. The Customer shall recognize any informal reservation of ownership the Supplier has declared in writing until the goods are handed over. Any extended or prolonged reservation of ownership, however, shall only become effective if it has been expressly agreed upon in writing by the parties to the contract.

16. If any individual provisions of these General Conditions of Purchase or of the other contractual agreements should be or become ineffective or impracticable the remaining provisions shall remain effective. Such ineffective or impracticable provision shall be superseded by another one which is getting nearest to the intended purpose of the said provision.

17. The law of the Federal Republic of Germany shall exclusively apply. The application of any international sales laws shall be impossible. For the interpretation of the contract, the German wording of the latter shall be decisive.

18. The place of performance for the delivery shall be the place of the transfer of risks, i. e. Neugersdorf. The exclusive place of jurisdiction for any disputes resulting from the contractual relationship shall be Löbau or the competent Dresden District Court, unless the Customer has taken legal action at any other competent court.