

**General Terms and Conditions of ElingKlinger Kunststofftechnik GmbH, Etzelstraße 10,
74321 Bietigheim-Bissingen and
ElingKlinger Kunststofftechnik GmbH, Business Unit Venus; Badenbergrstraße 15,
89520 Heidenheim**

Sales and delivery conditions, position at February 2003

I. General

1. The following conditions are the content of all contracts concluded between us and a buyer. These also apply, if we do not expressly refer to them in later contracts, unless the customer is not a merchant within the meaning of the German Commercial Code (HGB). General business conditions of the buyer do not apply to us, even though we have not expressly contradicted them.
2. Oral subsidiary agreements have to be confirmed in writing to be valid.

II. Delivery deadline

1. The period for delivery begins with the dispatch of the confirmation of order, but not before the provision of any documents, approvals and clearances to be furnished if necessary by the customer and before the receipt of any agreed down payment.
2. The delivery deadline is complied with, if by the expiry of the period for delivery readiness for dispatch has been notified or the item for delivery has left the factory.
3. The period for delivery is extended in the case of action in the context of industrial disputes, in particular strikes and lock-outs as well as the occurrence of unforeseeable obstacles, which are beyond our control, e.g. breakdowns, delays in the delivery of essential materials, in so far as such obstacles demonstrably have a considerable influence on the delivery of the item (Force Majeure). This also applies, if the circumstances arise with sub-contractors. The period for delivery is extended according to the duration of such action and obstacles. We are also not to answer for the above-mentioned circumstances, if they arise during an already existing delay. The beginning and end of such obstacles are in serious cases to be notified by us to the buyer.
4. In the case of orders, in which several deliveries are agreed (multiple delivery contract), one delivery is without influence on further deliveries under the contract.
5. If the seller culpably exceeds the delivery deadlines, he comes into default only if the buyer requests him to deliver again, setting a reasonable deadline. If the buyer is a user within the meaning of § 13 of the German Civil Code (BGB), the demand for compensation is confined in the case of slight negligence to 5% of the agreed purchase price. If the buyer is a merchant, a legal person under private law or public law or a public law special fund, claims for compensation for damage caused by negligence are excluded. If the buyer also wishes to withdraw from the contract and/or demand compensation for damages instead of the service, he must first of all set a reasonable delivery deadline. If the buyer wishes to make a claim for compensation for damages instead of the service, the restrictions under No. X 1b apply. If the delivery is by chance impossible for the seller, while he is in default, he is liable with the above-mentioned agreed limitations on liability. The seller is not liable, if the damage would have occurred even with delivery on time.

III. Extent of delivery

1. The extent of delivery will be determined by our written confirmation of order.
2. Changes in construction or form, which are attributable to technology or to requirements of the legislature, are subject to reservation during the delivery period, in so far as the item for delivery is not considerably changed and the changes are reasonable for the buyer. The same applies to changes in the extent of delivery.

IV. Impossibility

As far as the delivery gets impossible for us, the buyer can demand for compensation according to the law. But compensatory claims (concerning damages next to delivery or instead of delivery or reimbursement of futile expenses) are limited to 5% of the value of the delivery that will not be able to use due to the impossibility. Any further claims are excluded. As far as the impossibility is caused intentionally or by gross negligence these limitations do not apply. In cases where the impossibility is caused due to Force Majeure any claims of the buyer are excluded.

V. Annulment costs

If the buyer unjustifiably withdraws from an order that has been issued, we can claim 10% of the sales price for the costs arising from the processing of the order and for the loss of profit irrespective of the possibility of claiming higher actual damages. The buyer reserves the right to prove less damage.

VI. Packing and dispatch

Packing materials become the property of the buyer and will be charged by us. Postage and packing expenses are charged for separately. The choice of type of dispatch will take place by us after due consideration.

VII. Protective rights and tools

1. We reserve the right of ownership and proprietary right (incl. copyrights and intellectual property rights) to preliminary estimates of costs, drafts, drawings and other documents. These documents may be made available to third parties only after the issue of the written approval by us.
2. In so far as items are produced in accordance with drawings, models, samples or other documents, which are handed over to us by the buyer, the customer takes over the guarantee that protective rights of third parties are not infringed.
3. Tools that are produced by us to manufacture the item for delivery remain our property. This applies even if the customer has taken over pro rata costs or the whole costs for the production of the tool. The retention period for such tools shall be at our discretion.

VIII. Acceptance and passing of the risk

1. The buyer is obliged to accept the item for delivery. In the absence of an agreement to the contrary (delivery by us) handover takes place in Bietigheim-Bissingen or in Heidenheim. The buyer is entitled to inspect the item for delivery within fourteen days after receipt of notification of its being available or other notification of the its being made ready at the place of handover. The buyer has the obligation to accept the item for delivery within the same period, unless he is temporarily prevented from accepting it through no fault of his own.
2. If the buyer does not accept the item for delivery, the seller can make use of his legal rights.
3. The risk passes over to the buyer with acceptance of the item for delivery. If the buyer declares that he will not accept the item for delivery, the risk of a chance loss or a chance deterioration of the item for delivery passes over to the buyer at the time of the refusal.
4. If it is agreed that delivery will take place through us, the risk passes over to the buyer with the handover of the item to the forwarding agent. At the written request of the buyer the goods will be insured against breakage and transport and fire damage.
5. In the case of the contract with a user (within the meaning of § 13 of the German Civil Code) the risk of chance loss and chance deterioration of the item passes over to the buyer on handover.

IX. Price changes

Price changes are permissible, if there are more than four months between the conclusion of the contract and the agreed delivery deadline. If wages, costs of materials or market cost prices rise thereafter until the manufacture of the supply, we are entitled to increase the price reasonably according to the cost increases. The buyer is entitled to withdraw only if the price increase exceeds the rise in the general cost of living between ordering and delivery, not just immaterially.

If the buyer is a merchant, a legal person under public law or a public law special fund, price changes in accordance with the above-mentioned rule are permissible, if there are more than six weeks between the conclusion of the contract and the agreed delivery deadline.

X. Liability

In the case we close a contract with a final user (§13 BGB) the statutory regulations valid from 1.1.2002 will apply.

In all other cases we are liable as follows:

1. a) During a period of 12 months from the risk being passed over, the buyer has the possibility to claim for further fulfillment of the contract (correction or replacement) as far as the product delivered is defective. By choosing one of these alternatives the buyer has to comply with the principle of proportionality. In the case of correction, we reimburse the expenses required for the purpose of removing the shortcoming, in so far as the costs are not increased as a result of the item purchased being brought to a place other than the place of performance. Expenses are in particular transport, travelling, work and material costs.

If the further work in fulfillment of the contract does not lead to success or is disproportionate, the buyer can withdraw from the contract or reduce the purchase price. The right to withdraw or to reduce can be claimed by the purchaser only in so far as he has unsuccessfully requested the seller, setting a reasonable deadline, to correct the defect.

b) Our liability, the one of our representatives by law or the one of our vicarious agents is limited to cases of intent or gross negligence. If main contractual obligations have been breached we are liable according to the law. But in these cases the compensation is limited to the typical contractual and foreseeable damage. The liability for damages of any other objects of legal protection is excluded as far as the damage has not been caused intentionally or by gross negligence. This regulation does also apply on claims concerning compensatory damages instead of performance and compensatory claims next to performance no matter what legal basis (esp. due to defect, breaches of obligations, liability in tort or reimbursement of futile expenses).

c) Natural wear and tear is in any case excluded from the guarantee. The same applies in the case of irrelevant deviations from the agreed quality or damages, which arise, after the passing over of risk, as a result of faulty or negligent handling or special external influences, which were not foreseen in the contract. In the event of a shortcoming based on faulty assembly, we are bound by the guarantee only if the assembly

or the insertion of the item sold was carried out competently. The buyer has to set forth and prove the competent execution of the assembly.

d) Damages that arise as a result of insufficient or incorrect information on the buyer's operating conditions, as a result of incompetent handling or insertion of the item ordered, as a result of excessive demand or as a result of the fact that the buyer or a third party instructed by him undertakes changes or repairs to the item ordered, without our approval, are excluded from the guarantee.

2. If we deliver on the basis of a sample, we guarantee exclusively for the qualitative and dimensional characteristics of the sample, which has been provided by the buyer. Explanations in connection with the contract (such as description of the performance, reference to DIN or ISO Norms, etc.) do not- in cases of doubt- mean an adoption of guarantee. In cases of doubt an adoption of guarantee has to be made with our express written confirmation.

XI. Recourse

The customer has the possibility of having recourse (according to §§ 478 BGB), in so far as within the context of his trade he sells the item to a user (§13 BGB) and if the shortcoming can be proven to be connected with the supplier's product. The buyer can moreover claim reimbursement of expenses, which he has had to bear in relation to the user, if the shortcoming claimed by the user was already present at the passing on of the risk to the buyer. Recourse is possible only in so far as the buyer has not reached any agreement with his consumer going beyond the legal guarantee claims. The buyer cannot, in the context of company recourse, claim any compensation for damages.

XII. Reservation of Property rights

1. We reserve to ourselves the ownership of the item for delivery until payment therefore has been effective.

2. In the case of conduct by the buyer in breach of contract, in particular in the case of delay in payment, we are entitled to take back the goods after notice is given and the buyer is obliged to hand them over. We are also entitled to withdraw from the contract.

3. The assertion of the reservation as to ownership, as well as the distraint on the item for delivery by us do not count as withdrawal from the contract, if the statutory provisions require something else or this is expressly declared by us. In the case of application with regard to businessmen, a legal person under public law or a public law special fund the following applies in addition:

4. The buyer is entitled to sell the items delivered in the proper course of business; he now already, however, transfers to us all claims to the amount of the sales price agreed between us and the buyer (including value added tax), which accrue to the buyer from further disposal, and indeed irrespective of whether the items delivered are sold further without or after processing. We accept the transfer. The buyer is empowered to collect these claims after they are transferred. Our authority to collect the claims ourselves is not affected by this, but we undertake not to collect the claims, as long as the buyer properly meets his payment obligations and is not in default of payment. If this is nevertheless the case, we can demand that the buyer make known the transferred claims and their debtor, give all details required for collection, hand over the relevant documents and the inform the debtors (third parties) of the transfer.

5. The processing or transformation of the goods by the buyer will always be carried out for us. If the items delivered are processed with other items not belonging to us, we acquire the co-ownership of the new item in proportion to the value of the items delivered compared with the other items processed at the time of processing.

6. If the items delivered are mixed with other items not belonging to us, we acquire the co-ownership of the new item in proportion to the value of the items delivered compared with the other items mixed. The buyer keeps the co-ownership for us.

7. The buyer may not pledge the items delivered as collateral, nor transfer ownership of them as security. In the case of pledges and seizure or other orders by third parties, as well as the initiation of bankruptcy or composition proceedings on the buyer's property, the buyer has to notify us about it without delay and make all the information and documents available to us, which are necessary for safeguarding our rights. The attention of bailiffs or a third party has to be drawn to our ownership.

8. We undertake to release the securities due to us, in so far as, at the buyer's request, their value exceeds the secured claims by more than 20%, provided they have not already been settled.

XIII. Liability in tort / Product Liability

Claims for compensation for damages in tort are excluded, unless the damage was caused intentionally or through gross negligence. This also applies in the case of action by our vicarious agents and employees. In cases where the life of others, the body or the health is injured we are liable according to the law. In cases of product liability according to the ProdHaftG (German Product Liability Law) we are responsible according to the law.

XVI. Payment conditions

1. The purchase price and the remuneration for subsidiary services are to be settled within 14 days from the date of the invoice, less 2% discount or within 30 days from the date of the invoice without deduction.

2. Cheques and bills of exchange are valid as payment only after clearance. The acceptance of bills of exchange always requires a prior written agreement with us. In the case of acceptance of bills of exchange the bank discount and collection expenses are calculated. They are to be paid immediately in cash.

3. We calculate interest for late payment at 8% per annum above the relevant basic rate of interest in accordance with § 247 of the German Civil Code. In the case of contracts with a user within the meaning of § 13 of the Germ Civil Code, the rate of interest is 5%. It is to be made higher or lower, if we demonstrate a burden with a higher rate of interest or if the buyer demonstrates a lower burden. A reservation is maintained with regard to proof of further damage due to delay.

4. If the buyer is a merchant, a legal person under public law or a public law special fund, the holding back of payments because of any counterclaim by the buyer not recognized by us is not admissible, just as setting off against such claims is not.

XV. Place of Performance and jurisdiction

1. The place of performance is Bietigheim-Bissingen as far as nothing else is agreed separately.

2. In all disputes arising from this contractual relationship, if the buyer is a merchant, a legal person under public law or a public law special fund, a complaint has to be submitted at the District Court (Amtsgericht) in Besigheim or at the Regional Court (Landgericht) in Stuttgart. We are also entitled to lodge a complaint at the customer's headquarters.

3. Exclusively German law applies, to the exclusion of the law on the international purchase of movable objects (CISG), even if the customer has his firm's location abroad.

XVI. Other matters

1. Transfers of the customer's rights and obligations arising from the contract concluded with us require our written approval to be effective.

2. If a provision is or becomes null and void, the validity of the other provisions is not affected by this.

3. In cases of disputes the German version of these General Conditions is authoritative.