KETTENBACH warrants that upon delivery the product is of the agreed quality. The agreed quality will exclusively
be binding notwithstanding any failure by KETTENBACH to object to them specifically.

3.1 All KETTENBACH prices are stated exclusive of customs duties, if any, and of value added tax in the relevant
statutory amount. They are stated ex works (DWD) according to Incoterms 2000 and net of costs for packaging, in-
surance or transportation.

3.2 Prices shall remain firm for a period of four months from the date of KETTENBACH’s order acknowledgment.
Furthermore, the price quoted in the then current price list of KETTENBACH shall apply and be invoiced.

3.3 In case of net purchase orders of less than EUR 250.-, a surcharge of EUR 25.- shall be due. KETTENBACH shall
be entitled to reduce or increase the purchase order so as to arrive at terms most favourable to the Purchaser.

3.4 In case of orders for minor parts and small quantities of data received by the Purchaser from KETTENBACH which are not com-
mmon knowledge in the industry shall be held in confidence by the Purchaser and shall not be disclosed to third parties
without KETTENBACH’s prior written consent.

4. Delivery

4.1 Delivery dates and delivery period shall only be binding when confirmed by KETTENBACH in writing and further
provided that the Purchaser has furnished KETTENBACH with all information and documents necessary for making a
delivery.

4.2 In case a delivery date or a delivery period is not met, the Purchaser shall first request KETTENBACH to make
delivery within a reasonable grace period following which delivery will be rejected. The Purchaser shall be entitled to resell
the contract only once delivery has not been made within such grace period; this shall in case of default with respect to a
partial delivery only as a consequence thereof the Purchaser does not have any interest in having delivery or performance
made in part.

4.3 In case delivery cannot be made for reasons for which the Purchaser is responsible, or in case the Purchaser
refuses to accept delivery, KETTENBACH shall be entitled to store the products at the risk and expenses of the Purchaser.
Without prejudice to any other rights it may have, KETTENBACH may resell the goods and shall be entitled to recover
the resulting expenses. When the Purchaser does not accept delivery before the lapse of a reasonable grace period fixed by

KETTENBACH.

4.4 In case delivery or other performance is delayed due to unforeseeable and unavoidable events such as war,
strikes, lock-outs, riots, governmental measures, natural disasters, lack of energy or resources, manufacturing and oper-
ing disturbances for which KETTENBACH is not responsible, and which it could not have been established in a
final judgement. The Purchaser is only entitled to assert rights of retention to the extent that its counterclaim is based on
the same occurrence and is co-ordinated with a specific claim against KETTENBACH.

7. If KETTENBACH becomes aware of a significant deterioration in Purchaser’s financial situation following the
conclusion of the contract (for example the Purchaser is in default of payment) KETTENBACH shall be entitled to
only carry out any outstanding deliveries upon advance payment or the rendering of collateral. If such advance
payments or collateral have not been rendered even after the expiry of a reasonable period of grace KETTENBACH may
cancel the contract and shall be entitled to claim compensation for losses and other rights. In case of contract
regarding the manufacturing of unfungible goods (manufacture to customer’s specification), KETTENBACH shall be
entitled to cancel the contract immediately.

5.4 KETTENBACH shall be entitled to make delivery in part and or deletion from the purchase order as of, e.g.
with respect to form and colour, to the extent this is reasonable. KETTENBACH shall further be entitled to make delivery in
greater or lesser quantities within the tolerances that are customary in the industry.

6. Delivery

6.1 KETTENBACH shall be liable for damages

6.2 KETTENBACH shall be liable for damages

7. Resale

7.1 The Purchaser may resell the KETTENBACH special products only in their unaltered original packaging.

7.2 In case Purchaser transfers the delivered product unprocessed or after processing, transformation, mixing or blending with other goods, Purchaser shall hold harmless KETTENBACH from claims of third parties for product lia-
bility, provided Purchaser is responsible for the defect causing the liability.

8. Retention of Title

8.1 Title to the products delivered shall remain with KETTENBACH until all amounts owing in connection with the busi-
ess relationship between the Purchaser and KETTENBACH shall be paid. In case of a current account, the retained title
shall secure all balances due to KETTENBACH.

8.2 The Purchaser may sell the products only within the ordinary course of its business and only as long as the Pur-
chaser is not in default with payments. The Purchaser shall not be entitled to pledge the products, transfer title to the
products or dispose of the products in any other way affecting KETTENBACH’s title. The Purchaser hereby assigns to
KETTENBACH an irrevocable claim in the event of sale of the products; KETTENBACH accepts such assignment. In case of
the products are sold after their processing or combination, mixing or blending with other products or together with other
products, the assignment of receivables shall be agreed only to the extent reflecting the purchase price agreed between
KETTENBACH and the Purchaser plus a margin of 10% of such price. The Purchaser shall be entitled to
assign the receivable assigned for the account of KETTENBACH in his own name. KETTENBACH may revoke the
Purchaser’s authority and its rights to sell the products if the Purchaser is in breach of its obligations towards
KETTENBACH.

8.3 The Purchaser shall treat the products subject to retention of title with care for the duration of the retention of
title. Upon return of KETTENBACH the Purchaser shall ensure the products subject to retention of title in a reasonable
manner, to deliver the respective proof of insurance and to assign its claims under the contract of insurance to
KETTENBACH.

8.4 Any processing or transformation of the products by the Purchaser shall be deemed made for KETTENBACH’s
account. In case the products are processed together with other products, KETTENBACH shall acquire a pro-rata
co-ownership interest in the new products considering the value of the products and that of the other processed prod-
cuts. If the products are mixed or blended with other products so that separation is possible, KETTENBACH shall acquire a pro-rata co-ownership interest in the new products considering the value of the
products and that of the other processed products. The new products shall be deemed subject to the same retention
of title as the products owned by the Purchaser. Only in case of sale to third parties of such new products with
KETTENBACH as a co-owner of the product, the Purchaser shall assign to KETTENBACH a pro-rata co-
ownership interest in such new products. If the new products can be sold to third parties, the Purchaser will assign
such new products with KETTENBACH as a co-owner of the product, the Purchaser shall assign to KETTENBACH
a pro-rata co-ownership interest in such new products. If the new products can be sold to third parties, the Purchaser will assign
such new products with the exception of the products of third parties and shall convey title of such new products to
KETTENBACH.

8.5 The Purchaser shall at any time furnish to KETTENBACH with all desired information with respect to the products
and their processing. In case the Purchaser has assigned to KETTENBACH an irrevocable claim and reserved to
KETTENBACH immediately of all seizures or claims advanced in respect of the products by third parties, and shall at the same time furnish KETTEN-
BACH with all necessary documents. The Purchaser shall also at the same time advise the third party of KETTENBACH’s
retention of title. The cost of defending against such seizures and claims shall be borne by the Purchaser.

8.6 In case the value of the security exceeds KETTENBACH’s aggregate receivables by more than 10%, the Purch-
aser shall be entitled to request a release with respect to such excess.

8.7 In case the Purchaser defaults with performance of its obligation towards KETTENBACH KETTENBACH may, with
out prejudice to any of its other rights, request return of the products after possession of the contract and may dispose of
the product otherwise in order to obtain satisfaction of the Purchaser’s outstanding debts.

8.8 In case deliveries are made to other jurisdictions where the foregoing rules relating to retention of title will not apply,
the same protection as in Germany, the Purchaser shall take all action necessary to provide KETTENBACH with
the necessary security. The Purchaser shall cooperate with respect to all steps which are necessary or beneficial for
the validity and enforceability of such security as, e.g., registration, publication, etc.

9. Return of Products

9.1 Unless cases of warranty are concerned the return of sold products is excluded. In such cases KETTENBACH reserves
the right to send back any good at the Purchaser’s expense and KETTENBACH’s expense at the expense of the Purchaser.