
General Standard Terms and Conditions
(for use in transactions with enterprises)

Stand September 2003

Acceptance of terms and conditions of sale

All offers and agreements shall be based exclusively on the following terms and conditions. Buyer's differing terms and conditions not expressly accepted in writing shall not be binding. All offers made by LEHMANN Vertriebsgesellschaft mbH & Co. KG (referred to below in short as LEHMANN) are without obligation in principle unless expressly otherwise agreed.

1. Placing of order

- 1.1. The decisive factor for the conclusion of a contract of sale and the scope of the resulting supply commitments shall be corresponding written expressions of will by both parties to the contract. Verbal collateral agreements shall not be made. If persons not authorised to represent LEHMANN conclude agreements differing from or supplementary to this contract, including waiver of this written form clause, these shall be valid only if confirmed in writing by LEHMANN. Otherwise in case of doubt, changes and additions shall be binding only when confirmed in writing.
- 1.2. The customer shall be liable for the correctness of the documents and data it supplies, such as drawings, templates and samples.
- 1.3. The data, drawings and specifications given in catalogues, price lists or offer documents are approximate values customary in the industry unless expressly designated as binding in the acknowledgment.

2. Time of delivery and delays

- 2.1. Periods of delivery and deadlines shall be deemed only approximate unless we have expressly promised in writing that they shall be binding. In the case of sales ex works the periods of delivery and deadlines shall be deemed met if the goods leave the factory/warehouse within the period of delivery or by the deadline. They shall likewise be deemed met upon notification of readiness for shipment if the goods cannot be dispatched on time through no fault of ours. In the case of call-off transactions and/or transactions where the buyer arranges collection of the goods purchased, making ready of the goods shall be deemed delivery.
- 2.2. The periods shall be extended appropriately if failure to meet periods of delivery is due to force majeure, e.g. mobilisation, war, riot or similar events such as strike or lockout. In such cases LEHMANN shall also be entitled to withdraw in full or in part from the unfulfilled part of the contract.

2.3. Compensation claims by the buyer for delayed delivery and compensation claims in lieu of performance shall be excluded in all cases of delayed delivery including after expiry of a time set by LEHMANN. This shall not apply to mandatory liability in cases of intent, gross negligence or injury to life, limb or health. The buyer may withdraw from the contract as provided by law only if LEHMANN is responsible for the delayed delivery and the buyer has set an appropriate extension of term of at least 4 weeks. The above provisions shall not imply a change to the burden of proof to the buyer's detriment.

3. Pricing

Unless expressly otherwise agreed, prices are ex works, exclusive of value added tax at the rate in force and exclusive of packing, carriage, postage and insurance. The prices at the date of acknowledgment shall apply in principle. If a significant change occurs to certain cost factors, such as wages, input material or carriage, the agreed price may be adjusted appropriately according to the impact of the relevant cost factors unless there are mandatory legal provisions preventing this. Small orders up to a net goods value of EUR 250 are subject to an EUR 25 handling charge.

In principle, goods will be delivered only in standard packs. We reserve the right to increase orders according to our pack sizes. Packaging is not taken back. Unless otherwise agreed, LEHMANN will choose the type of packing.

4. Terms of payment

- 4.1.** All invoices are payable net within 30 days from the invoice date. Discount of 3% will be allowed for payment within 10 days provided that the buyer is not in default of settlement of accounts receivable.
- 4.2.** Expenses such as bank charges levied upon remittance of the invoice value and the expenses of presentation of the shipping documents shall be to the buyer's account.
- 4.3.** Cheques and bills will be discounted only on account of payment. Credit notes in respect of bills and cheques are issued subject to receipt of the expenses with the value date as at the date when the countervalue is at our disposal. Differences between the calculated rate and the official rate shall likewise be to the buyer's account. The risk of currency losses shall be borne by the buyer.
- 4.4.** If the period of payment according to 4.1. is exceeded LEHMANN shall be entitled to charge interest for the year in the amount of 5 percentage points above the base interest rate in accordance with section 1 of the Base Interest Rates Transitional Act.
- 4.5.** Rights of retention or offset are permissible only against claims that are undisputed or legally enforceable.

4.6. If the buyer is in arrears with a part payment LEHMANN may make the whole outstanding amount due immediately and withdraw from the contract and/or demand damages after first setting an appropriate time for payment or subsequent performance without result unless the setting of a time may be dispensed with according to provisions of law. If an invoice amount due is not paid despite two reminders, all outstanding invoice amounts shall become due immediately.

5. Dispatch and passing of risk

The risk passes to the buyer, including in the case of delivery carriage prepaid, when the goods are handed over to the person in charge of shipping or loaded on to a vehicle by LEHMANN. LEHMANN shall be entitled but not obliged to insure deliveries in the buyer's name and for the buyer's account. In the case of damage in transit the buyer shall immediately ascertain the facts with the carrier or the appropriate bodies and inform LEHMANN.

6. Making to order

Unless otherwise agreed the goods will be delivered in the shipping units indicated in the order documents. Smaller order quantities are subject to special agreement. Part deliveries of a reasonable volume are permissible. In the case of making to order the unit delivery may be subject to a shortfall or excess of up to 10%.

7. Industrial property rights

LEHMANN retains ownership and copyright in illustrations, drawings and other documents. They shall not be made accessible to third parties without LEHMANN's consent and they shall be returned to LEHMANN immediately on request. If the making of goods according to the buyer's drawings, samples or other data infringes third party industrial property rights, the buyer shall indemnify LEHMANN from all claims.

8. Retention of title

8.1. Goods supplied shall remain our property until satisfaction of all our claims arising from the entire business relationship. If the realisable value of all our security rights exceeds the amount of all the secured claims by more than 10% we will release a corresponding part of the security rights upon request by the buyer.

8.2. The buyer is prohibited from pledging goods subject to retention of title or assigning them as security. The buyer is permitted to dispose of the reserved goods in the ordinary course of business. The buyer hereby assigns to us all its claims against third parties arising from resale of the reserved goods. The buyer is authorised to collect such claims even after assignment. Authority to collect may be revoked at any

time.

- 8.3. Processing or conversion of the object of sale by the buyer is always undertaken on LEHMANN's behalf. If the object of sale is processed with other objects not belonging to us we shall acquire joint ownership of the new thing in proportion to the value of the object of sale to the other objects processed at the time of processing.
- 8.4. The buyer shall notify us immediately in the case of seizures, attachments or other third party disposals or encroachments.
- 8.5. If the buyer is in breach of its obligations, in particular in case of delay in payment, we shall be entitled to withdraw from the contract and take back the goods upon expiry without result of an appropriate time allowed for the buyer to perform, notwithstanding the legal provisions relating to the dispensability of setting a time. The buyer shall be obliged to surrender the goods.

9. Defects of quality

We shall be liable as follows for defects of quality:

- 9.1. All parts or deliveries presenting a defect of quality within the period of limitation shall be repaired, re-delivered or re-manufactured at our option free of charge if the cause predates the passing of risk.
- 9.2. Claims for defects shall become statute-barred in 12 months. This shall not apply in cases of injury to life, limb or health, intentional or grossly negligent breach of duty or concealment of a defect with intent to deceive.
- 9.3. The buyer shall notify defects of quality without delay and within 8 days at the latest following receipt of the objects sold.
- 9.4. In case of complaints about defects the buyer's payments may be retained to an extent in an appropriate proportion to the defects of quality concerned. The buyer may retain payments only if a complaint is made about defects the justification for which is in no doubt. If a complaint about defects is unjustifiably made we shall be entitled to demand reimbursement of our expenses by the buyer.
- 9.5. LEHMANN shall first of all be given an opportunity of subsequent performance within an appropriate time. If subsequent performance is unsuccessful the buyer may withdraw from the contract or reduce the payment, notwithstanding any compensation claims in accordance with clause 10.
- 9.6. Warranty claims shall not apply in the case of minor deviation from the agreed quality, minor impairment of usability, natural wear and tear or damage occurring after passing of risk due to incorrect or negligent treatment, excessive stress, unsuitable operating consumables or special external influences not presupposed in the contract. If improper modifications or repairs are carried out by the buyer or third parties, no warranty claims shall apply to these or to the consequences ensuing.

- 9.7.** Buyer's claims for expenses necessary for the purpose of subsequent performance, such as transport, travel, labour and material expenses, shall be excluded if the expenses are increased by subsequently taking the object delivered to a place other than the buyer's establishment unless such transfer is in accordance with its intended use.
- 9.8.** The buyer shall be entitled to claim under a right of recourse against the seller in accordance with section 478 of the German Civil Code only if the buyer has not made any agreements with its customer that go beyond the statutory warranty claims.
- 9.9.** Compensation claims shall also be subject to clause 10. Claims by the buyer further or other than as provided for here against LEHMANN and its agents due to a defect shall be excluded.

10. General limitations of liability

We shall not be liable for losses caused by us, our legal representatives or agents through ordinary negligence. This applies regardless of the legal nature of the claim made, in particular arising from default, other breach of duty or tort. This limitation of liability shall not apply to damage due to injury to life, limb or health or to breach of essential contractual obligations.

11. Place of performance and jurisdiction

The place of performance for the obligations arising from transactions, with respect to both delivery and payment, shall be Minden, Westphalia. The place of jurisdiction for both parties shall be Minden, Westphalia irrespective of the amount in dispute.

12. Choice of law

German substantive law shall apply exclusively to legal relations in connection with this contract.

13. Partial ineffectiveness

Should any of the above clauses be or become ineffective, the ineffective provisions shall be replaced by provisions coming as close as possible to the economic purpose of the ineffective provisions, taking appropriate account of both parties' interests.