

GENERAL TERMS AND CONDITIONS OF SALE AND SERVICE

1. GENERAL TERMS AND CONDITIONS:

Our terms and conditions are part of the agreement concluded with us and our customers and shall only apply to merchant. The following conditions shall apply to all business relations between OKA-Tec and their business partners. Deviations from these conditions are effective only if they are confirmed in writing.

2. OFFERS, ORDERS, CONCLUSION OF CONTRACT:

2.1 Our offers are subject to change.

2.2 Orders, regardless of whether they are issued to us or our representatives in writing, electronically or verbally are only binding on us if they have been confirmed in writing or complied with by dispatch of the goods. Modifications, including for ongoing orders, and supplementary agreements must be in writing to be valid or, in any case, must be confirmed by us in writing. The purchase agreement takes effect after confirmation of the order. If delivery is made immediately without confirmation, then the invoice is simultaneously deemed to be an order confirmation.

Under Section 144 (confirmation of the contestable legal transaction) contestation is excluded if the contestable legal transaction is confirmed by the contesting party. 2.3 In cases where an order is transmitted electronically the provisions of section 312 e, paragraph 1, sentence 1, no. 1 to 3 of the Civil Code (obligations in electronic communication) are expressly barred. We are not obliged to confirm receipt of the order by electronic means. Incoming emails reaching us between the hours of 9 am and 4 pm on working days are deemed to have been received at 4 pm unless earlier retrieval can be shown. Emails received by us outside of these hours are deemed to have been received on the next working day at 4 pm unless earlier retrieval can be shown. The terms of contract as well as the general terms and conditions will only be stored by us in case of non-individual communication and may then be sent to the buyer by email on request.

3. TERMS OF PAYMENT, DELAY IN PAYMENT, DEPOSIT OF SECURITY:

3.1 Unless otherwise agreed, our invoiced amounts are due within 30 days of the invoice date without deduction and are payable in euro to one of the bank accounts listed overleaf. Additional expenses are at the buyer's expense. In export transactions, costs incurred by receipt of payment are chargeable to the buyer where incurred in the latter's jurisdiction.

3.2 In case of late payment, we charge default interest in the amount of conventional bank overdraft interest, amounting to at least 8% above the base lending rate of the day according to section 247 of the Civil Code. In the case of foreign exchange rate losses included; we reserve the right to assert additional default damage payment. The buyer is at liberty to show that we have incurred a lower loss, or none at all.

3.3 Acceptance of orders and execution of deliveries can be made dependent upon the deposit of security or advance payment.

3.4 If the buyer doesn't pay as agreed or if an insolvency proceeding is opened against the latter or should circumstances be known to OKA-TEC which leads to doubts about the solvency or credit-worthiness of the buyer or his ability to fulfil the contract, we reserve the right - irrespective of other rights or claims - to withdraw totally or partially from all types of existing contracts.

Should the customer's financial situation deteriorate significantly after signing of the contract, either by filing for insolvency, opening of settlement proceedings, petition to provide an affidavit of disclosure or an arrest order or equivalent, then we are entitled at our option to demand advance payments or deposit of security within an appropriate period of time. Up until fulfilment, we are entitled to suspend performance. At the end of the period we are entitled to withdraw from the contract if by that time advance payment or posting of security has not occurred. A significant deterioration of the customer's financial situation will be assumed if the latter is in arrears with more than two payments.

3.5 Crediting and deductions are only allowed if the counterclaims have been acknowledged by us or are legally enforceable. Expressly barred are, in addition, retention rights not based on the same contractual relationship.

3.6 We expressly reserve the right to reject drafts. Their acceptance is always in order to fulfil payment. Discounting and draft charges will be chargeable to the buyer and are immediately payable. Drafts are accepted without guarantee for correct presentation and protest. The acceptance of cheques is likewise only pending full discharge of the debt.

4. DELIVERIES AND SHIPMENT:

4.1 We endeavour to deliver as soon as possible. Delivery dates or deadlines which may be agreed with binding or non-binding force must be indicated in writing. Fixed-date transactions must be expressly designated as such and must bear our confirmation.

4.2 If through force major events or other unforeseeable, extraordinary or non-culpable circumstances such as raw materials shortages, operational disturbances or labour disputes (strikes or lockouts) at our plant, at our suppliers or at shipping companies, preventing or delaying production, purchasing or delivery, then the delivery deadline will be extended to an appropriate extent. If due to the circumstances in question our delivery or performance becomes impossible or unreasonable to expect of us, then we will be released from our obligation to deliver.

4.3 If we are otherwise late in delivering, any damage compensation claims under section 286 of the Civil Code are expressly barred unless we are guilty of deliberate intent or gross negligence. The claim to compensation is limited to net invoice value of the goods.

4.4 Unless otherwise agreed, loading and shipping occur uninsured at the recipient's risk ex works or ex storage facilities. Furthermore OKA-Tec is entitled to fulfill contractual agreements in partial shipments unless otherwise agreed.

5. PRICES:

Orders placed are carried out by us at the list prices applicable as of the date of delivery and their execution are binding with the prices agreed upon with us. These prices contain no VAT.

The latter is accordingly charged separately at the applicable VAT rate of the day. Delivery prices are understood, unless otherwise agreed, as being per net/kg, free to the customer's address if within the national jurisdiction; for foreign orders, free of freight to the German border, duty unpaid, for delivery in non-returnable packing (sacks, barrels and containers); should deliveries in other packaging form be required, the price is increased by the surcharge applicable when the invoice is issued. If express or air freight shipping is requested, we then charge for the extra costs.

6. RETENTION OF TITLE:

6.1 We retain ownership title of goods delivered until receipt of all payments arising from the supply contract, wherever allowed in the legal system of the venue where the goods are located. All supplies are considered as a uniform legal transaction.

6.2 If the ownership title retention expressly agreed upon is not recognised in the legal system of the national jurisdiction in which the item of delivery is located, or is only complied with under certain prerequisites, then the customer is obliged to point this out to us at the latest upon conclusion of the contract. If that legal system does not allow for such title retention or extended title retention of the delivered item, while according other rights serving security purposes in a manner similar to retained title, we hereby declare that we will exercise such rights.

The buyer commits him or herself to cooperate in taking any measures required for this purpose (including compliance with formal regulations).

6.3 Any treatment or processing of the retained title goods will be executed free of charge by us as well as on our order without any obligation for us and as such that we

GENERAL TERMS AND CONDITIONS OF SALE AND SERVICE

are acknowledged to be manufacturers under section 950 of the Civil Code thus retaining ownership title to the products as per that date and to the extent of processing. In the case of processing by the buyer (combination, commingling) with other goods not belonging to us, then the provisions of sections 947 and 948 of the Civil Code will apply with the consequence that our co-ownership of the new item is henceforth retained title goods under this condition.

6.4 In case of resale to which the buyer is entitled in the course of routine business, any claims incurred by the buyer are hereby assigned to us as security. The buyer is obligated, at our request, to identify the customers to which the goods were resold.

6.5 The buyer must store the retained title goods on our behalf and must pledge to insure the same against fire, theft and leakage. The buyer hereby assigns to us compensation claims on insurance companies entitled for damages of the kind cited or any other compensation claims at the extent of our claims. We hereby accept such assignments. We are entitled to disclose such security assignments to the ultimate customer and to collect on claims immediately if the buyer fails to comply with his obligations under contracts signed with us or is late in fulfilling the contract.

6.6 To the extent that the value of our securities exceeds our outstanding claims by more than 10% we will release them if so requested. Repossession of goods delivered with retained title is not to be deemed a withdrawal from the contract unless this is explicitly declared to be so.

6.7 The buyer is not entitled to mortgage, or transfer title by way of security or take any other such measures without our express written consent. In case of mortgaging or other such measures by third parties, the buyer must immediately notify us and, if required, take appropriate immediate measures.

7. WARRANTY, NOTIFICATION OF DEFECTS, LIABILITY:

7.1 Warranty for defective products is governed by statutory regulations unless otherwise provided for here below. Exempted from the warranty obligation are damages due to improper usage, storage, setup or other external causes.

7.2 The buyer must immediately examine the goods delivered upon delivery, wherever appropriate by means of test processing, for defects in regard to their quantity and construction and immediately notify the seller, falling which the goods will be deemed to be accepted. We must be notified immediately upon discovery of any defects not acceptable upon such examination. Complaints must be reported in writing with indication of order data and the invoice and shipping numbers.

7.3 In case of justified defects submitted at due date we will at our option either remedy the defect at no charge or supply replacement of goods free of defects (subsequent fulfilment). In the case of delivery recourse (sections 478 and 479 of the Civil Code) the option is incumbent on the buyer. Our agreement must be obtained prior to any return of the goods. Replaced goods become our property.

Should we fail to comply with a deadline appropriately set for us for remedy of the defects or replacement of delivery of goods free of defects, should subsequent fulfilment fail (in which case we are entitled to two attempts), should we refuse subsequent fulfilment or if such subsequent fulfilment cannot be reasonably expected of us, the customer is then entitled under the provisions of the statutory regulations to withdraw from the contract, reduce remuneration (reduction), obtain compensation for expenses as well as, within the bounds of the cited here below, to damage compensation. Claims to withdrawal and reduction do not apply in the case of an insignificant defect. Any claim to damage compensation in lieu of performance in the event that we do not fulfil performance due or do not do so properly (section 281 of the Civil Code) or that we violate an obligation under Sec 241, para 2 of the Civil Code (ancillary obligations) is barred (section 282 of the Civil Code) provided that we are only accused of simple negligence. This does not apply if a significant contractual obligation or an cardinal obligation has been violated. The claim to damage compensation is limited to typically

foreseeable damage and is however limited to the net invoice value of the goods. 7.4 Warranty claims are subject to a limitation period of one year from delivery of the goods.

7.5 Other damage compensation are expressly barred unless they are due to deliberate intent of gross negligence. This doesn't apply to damages resulting from injury to life, limb or health due to negligent fulfilment of obligations on our part or to any deliberate or negligent violation of obligations by our legal representatives or agents. Likewise not expressly barred are any claims under the Product Liability Act.

7.6 The seller (as well as his company, executives and other co-workers) are not liable for - no matter what the reason is - consequential harm caused by a defect or unforeseeable damage or lost sales.

8. VENUE OF PERFORMANCE, VENUE OF JURISDICTION AND APPLICABLE LAW:

8.1 Venue of performance and jurisdiction for all legal disputes arising from the contractual relationship is our company location, unless otherwise indicated in the confirmation of the order.

8.2 The law of the federal republic of Germany is solely applicable. The provisions of the United Nations convention on international sale of goods are excluded. Should nothing to the contrary be contained in the terms, the latest version of the Incoterms published by the International chamber of commerce shall apply.

9. DATA PROTECTION:

The customer agrees that in the course of business her/his URL incoming data will be saved in observance of the data protection law. URL collects, saves and uses the personal data exclusively for order processing as well as for information about new offers. The data will be transferred and saved electronically for further processing internally. The passing on of data for commercial purposes is excluded. This reference is given in accordance with paragraph 33 section 1 of the federal data protection law.

10. SEVERABILITY CLAUSE:

Should any of the clauses above be or become void, the validity of other provisions and agreements will not be herewith affected.

Werne, 1. September 2008