

General Terms and Conditions for Delivery and Payment of MTS Systemtechnik GmbH

1. Validity

The following terms of delivery shall exclusively apply to all contracts, deliveries and other performances, including advisory services, inasmuch as they have not been amended or excluded with the seller's express, written consent. Conditions of the buyer shall not be binding even if the seller should not expressly object to them once again.

2. Offer and conclusion

Offers shall always be without engagement. Conclusions of contracts and other agreements shall only be binding on written confirmation by the seller.

Overdeliveries and/or underdeliveries of 10% or of a minimum of one piece of the ordered quantity are acceptable as far as customer-specified mechanical parts are concerned. The written contract or the confirmation of order as well as the additional agreements confirmed in writing by the company MTS shall be relevant for the subject matter of contract.

Inasmuch as sales employees or representatives should conclude additional word-of-mouth agreements or give out assurances going beyond the written sales contract, these shall always require the seller's written confirmation.

The documents belonging to the offer - such as illustrations, drawings, indications of weight and measurement - shall only be relevant to an approximate extent.

If facts making the credit-worthiness of the buyer appear doubtful should become known to the seller after conclusion of a contract, the seller shall be entitled to demand cash in advance and appropriate securities and - in the case of refusal - to withdraw from the contract.

A change of the firm or changes in the person of the buyer shall entitle the seller to withdraw.

3. Terms of delivery and delay

Terms and dates of delivery are considered only as approximately agreed upon, unless the seller has given a written promise expressly as binding.

Partial deliveries are permissible.

The time for delivery shall be extended appropriately - also within a delay - in case of an Act of God and all unexpected obstacles, which lie beyond the seller's will, provided that such obstacles are demonstrably of substantial influence on the delivery of the sold article. This shall apply even if such circumstances should occur with the seller's suppliers and their subcontractors.

In important cases the seller shall inform the buyer of the beginning and the end of such obstacles as soon as possible.

Terms of delivery shall be extended by the period the buyer falls behind its contractual obligations - also under other contracts -.

The buyer's right of withdrawal after fruitless expiration of a respite the buyer has set the seller remains unaffected.

4. Shipping and transfer of risk

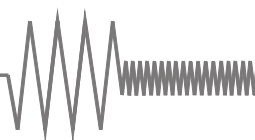
The shipping shall be carried out to the best of the seller's knowledge but without guarantee for cheapest shipment. All consignments, including any returns, shall be at the buyer's expense and risk.

Insurance shall be effected at the buyer's request and expense. Ways and means of shipment are to be chosen by the seller, unless otherwise agreed. Should the shipment be delayed by reasons the seller is not responsible for the goods shall be stored at the buyer's risk and expense. In this case notification of readiness for shipment shall be tantamount to shipment. Incidentally, with the goods having been handed over to a carrier or hauler, however, at the latest with their leaving the storage location or being confiscated, the risk shall pass on to the buyer.

5. Packing

The packing shall be charged separately.

Light packing such as cardboards etc. shall not be taken back. In case of means of transport that are returned late, the conditions of the manufacturers, the cable drum company and/or the seller shall apply.



6. Prices and payment

Prices are always quoted plus value added tax to the current amount stipulated by law.

If not expressly otherwise agreed, payment has to be effected within 30 days after invoice date without discount or within 10 days less 2% discount in such a way that the invoice amount agreed upon will be made available to the seller on the due settlement date at the latest. Credit notes for cheques shall be accepted subject to receipt less expenses with value setting on the date the equivalent amount will be available to the seller.

In case of delayed payments interest shall be paid to the amount of the current bank interest rates for overdraft facilities, however, at least to the amount of 3% higher than the bank rate of the Deutsche Bundesbank, in each case plus value added tax.

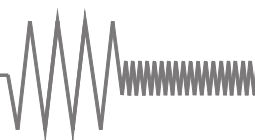
Discount shall not be granted if the buyer should be in arrears with payments for earlier deliveries. Overdue fines to the amount of € 10,- shall be charged for each invoice of the seller, beginning 2 weeks after delay of payment at the earliest. The buyer shall not be entitled to charge payments against any counterclaims of the buyer denied by the seller, inasmuch as a claim has not been legally determined. When asserting a notice of defects the buyer may hold back payments to an extent reasonably proportionate to the defects occurred. If the contract should belong to the business of his trade, however, the buyer shall only be entitled to hold back payments if the validity of the notice of defects asserted is beyond doubt.

7. Reservation of title

- a) The seller reserves the title to the goods until all claims of the seller against the buyer from this business relation are settled including claims occurring in the future, also from contracts concluded at the same time or later. This shall apply even if particular or all claims of the seller have been included in a current account and the balance has been drawn and acknowledged.
- b) The buyer shall only be entitled to resell the reserved goods in the normal course of business if he already now and hereby assigns to the seller all claims against buyers or third parties that accrue to him from the resale. If reserved goods should be sold without being processed or after being processed or in connection with articles exclusively belonging to the buyer's property, the buyer already now assigns the claims from this resale in full to the seller. If reserved goods are sold by the buyer after processing/connection together with goods not belonging to the seller, the buyer already now assigns to the seller the claims from this resale amounting to the value of the reserved goods including all supplementary rights and ranking before the rest. The seller accepts the assignment. The buyer shall be authorized to collect these claims even after the assignment. The seller's right to collect the claims himself shall remain unaffected, however, the seller commits himself to not collect such claims as long as the buyer duly meets his payment obligations and performs all his other duties. The seller may require the buyer to provide information concerning any assigned claims and their debtors including the relevant documents. The seller may also require the buyer to inform the debtors of the assignment.
- c) The buyer shall carry out any processing and machining of the reserved goods for the seller, without any obligations arising from this for the latter. In the case of processing, connecting, mixing or blending of the reserved goods with other goods not belonging to the seller, the seller shall be entitled to co-ownership of the new thing to the amount of the value of the reserved goods in proportion to the rest of the processed goods at the time of such processing, connecting, mixing or blending. If the buyer should acquire the sole property in the new thing, the contracting parties agree that the buyer shall grant the seller co-ownership of the new thing in proportion to the value of the processed or connected or mixed or blended reserved goods and store these free of charge for the seller.
- d) If a liability of the seller is created based on a bill of exchange in connection with the payment of the purchase price by the buyer, the reservation of title as well as the claims from the delivery of goods establishing it shall not expire before the bill of exchange has been honoured by the buyer as drawee.
- e) If the value of the existing securities should exceed the claims to be secured by more than 20%, the seller shall be obliged to release to that extent on the buyer's demand.

8. Notice of defects and guarantee

The seller shall be liable for defects - absence of warranted characteristics ranking among such defects - as follows:



- a) The buyer shall examine the quantity and condition of the received goods immediately after arrival. The buyer shall notify the seller about obvious defects by written complaint immediately or within one week at the latest.
- b) In the case of justified complaints the seller shall have the choice between touching up the faulty goods, replacement, recall and redemption of the goods against credit note or credit note for the reduction in value of the goods.
- c) The buyer shall have to grant the seller the necessary time and opportunity to remove any defects according to the seller's best judgement, in particular to make the rejected goods or samples of them available to the seller. If he should refuse to do so the seller shall be released from the warranty for defects.
- d) Rejected parts shall be sent back to the contractor immediately on demand at the orderer's expense. The delivery note (bill of parcels) shall be sent back with all consignments and returns. If goods should be returned by reason of a complaint that proves to be unjustified the seller shall be entitled to charge a compensation for the examination of the goods.
- e) No liability shall be assumed for any consequences of inappropriate changes or repairs carried out by the buyer or third parties.
- f) Further claims of the buyer against the seller and his assistants are excluded, in particular claims to compensation for damages that have not been inflicted on the object of delivery itself. This does not apply inasmuch as liability is obligatory in cases of intent, gross negligence or absence of warranted characteristics.
- g) The seller does not assume liability for the failure of provided parts. The buyer shall be charged for all repair costs resulting thereby.

9. General limitation of liability

The seller's liability shall exclusively be in pursuance with the agreements made in the above section. Claims for damages of the buyer for default on completion of the contract, breach of secondary contractual obligations and unlawful act are excluded, unless they are based on intent or gross negligence by the seller or one of his assistants. These claims are subject to a limitation period of 6 months after the goods have been received by the buyer.

However, the compensation must not exceed the sustained loss and the loss of profit, which the party committing the breach of contract should have anticipated on completion of the contract as a possible consequence of the breach of contract considering all circumstances which were known or should have been known to this party.

10. Repairs

If the presentation of an estimate of costs is desired before the execution of repairs, this shall be stated explicitly. Costs for an estimate of costs are to be recompensed.

Repairs shall be carried out without guarantee, if no defects report is presented. Whether a repair is carried out in the seller's own place or in an external workshop shall be left to the seller's discretion. Costs of dispatch and packing shall be at the buyer's expense.

Reference is made to number 4 and 5 of the conditions.

Delivery of repair devices shall take place against immediate payment only.

11. Sales obligations

When purchasing products with an existing sales obligation, the special conditions of the manufacturer shall apply in addition to these terms of delivery.

The buyer shall be obliged to get knowledge of the contents of such conditions. He shall not be allowed to invoke a lack of knowledge of such conditions.

12. Place of delivery, place of jurisdiction, applicable law

The seller's head office shall be place of delivery and exclusive place of jurisdiction for supplies and payments (including cheque lawsuits), as well as for all disputes arising between the parties, inasmuch as the buyer is a registered trader, a legal person of public law or separate assets under public law. The relations between the Contracting Parties shall exclusively be governed in accordance with the German domestic law applicable in the Federal Republic of Germany.

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