

GENERAL TERMS AND CONDITIONS OF SALE

1 General

- 1.1 All deliveries of goods by Chromsystems Instruments and Chemicals GmbH ("Chromsystems") shall be governed exclusively by these General Terms and Conditions of Sale and the special agreements entered into by the parties. For the content of any special agreements the written confirmation by Chromsystems shall be controlling.
- 1.2 Other provisions, in particular the customer's General Terms and Conditions, shall not apply, irrespective of whether they have been expressly rejected by Chromsystems or not. These General Terms and Conditions of Sale shall also apply exclusively if Chromsystems, having knowledge of other General Terms and Conditions, effects performance without reservation.

2 Purchase orders

- 2.1 All our offers are non-binding. If an offer is expressly described in writing as being binding, Chromsystems shall be bound by this offer for ten working days from the date the offer was made.
- 2.2 Orders are to be placed by the customer in writing and, inasmuch as Chromsystems has not issued any binding offer, shall require written acceptance or the commencement of performance of the contract by Chromsystems.
- 2.3 The content of the contract, in particular the scope and timing of the delivery, shall be determined by the confirmation of the order by Chromsystems, if available.
- 2.4 In the event of call-off ordering, the goods shall be called off at least two weeks prior to the desired delivery date.
- 2.5 Only the goods and package sizes featured in the latest edition of our price lists shall be available for delivery.

3 Condition of the goods

- 3.1 The goods shall be delivered in the quality and execution customary in the trade, taking into account production-related tolerances for dimensions, weights and quality conditions. Chromsystems reserves the right that there will be minor variations from specified characteristics and quality.
- 3.2 Product characteristics as specified in Chromsystems' publications or those of its sales representatives, in particular in advertising, drawings, brochures or other documents or on the product packaging and labeling of the goods or which fall under trade usages, shall only be deemed to be covered by the contractual condition of the goods if such qualities are expressly contained in an offer or an order confirmation.
- 3.3 Guarantees, in particular guarantees as to condition, shall be binding on Chromsystems only to the extent to which they (i) are contained in an offer or an order confirmation, (ii) are expressly designated as a "guarantee" or "guarantee as to condition", and (iii) expressly stipulate the obligations for Chromsystems resulting from such guarantee.
- 3.4 The customer shall be itself solely responsible for obtaining all the necessary permits, consents or licenses, which are necessary for the sale and distribution of the goods pursuant to applicable laws or other official requirements.

4 Delivery and transfer of risk

- 4.1 The delivery dates stated by Chromsystems shall not be binding unless they are described in writing as being binding.
- 4.2 Chromsystems shall be entitled to make part deliveries provided their acceptance is not unacceptable to the customer. Each part delivery can be invoiced separately.
- 4.3 In the case of call-off orders, i.e. orders for which a fixed delivery quantity is agreed but for which the customer may call off part quantities of the goods at different times, Chromsystems is entitled to procure the goods for the entire order or, as the case may be, manufacture them immediately. After acceptance of the order, no further consideration can be given to any requests for changes by the customer.
- 4.4 If in the case of call-off orders an amount exceeding the order quantity is called off, Chromsystems shall be entitled to only deliver the quantity ordered or to invoice the additional quantity at the spot price.
- 4.5 Deliveries are "ex works" (Incoterms 2000) [Chromsystems, Munich] or from another address specified by Chromsystems.

- 4.6 Risk shall pass to the customer at the latest upon delivery of the goods to the shipping agent or other person handling the transport; in the absence of any particular instruction from the customer, Chromsystems shall select a suitable forwarding agent. Risk shall also pass to the customer to the extent goods are stored at Chromsystems' after the delivery date at the customer's behest.
- 4.7 The customer shall be in default of acceptance if it fails to call-off goods on a delivery date that has been agreed binding. In the event of a non binding delivery period, Chromsystems is entitled to give the customer two weeks prior notice that the goods are ready to call off; if the customer does not call off the goods at this time, he shall be in default of acceptance. Calling off goods to be called off constitutes an essential performance obligation of the customer.

5 Prices and terms of payment

- 5.1 All prices are "ex works" (Incoterms 2000) [Chromsystems, Munich] or from another address notified by Chromsystems, excluding packaging and freight costs. Any VAT incurred shall be invoiced separately at the currently valid statutory rate and is to be paid by the customer.
- 5.2 All our invoices shall be paid net without deduction within 30 days of the invoice date.
- 5.3 Payments shall be deemed effected only to the extent that Chromsystems is able to dispose itself freely of the funds at a bank. Bills of exchange and checks shall only be accepted - if at all - on account of performance [Erfüllungshalber]. Costs of bills of exchange and checks shall be borne by the customer.
- 5.4 Chromsystems may invoice the customer additional costs incurred arising from change requests by the customer even if Chromsystems consents to such change requests, provided that Chromsystems gives the customer prior notification of the resulting higher costs.
- 5.5 To the extent that goods are stored at Chromsystems' after the delivery date at the customer's behest or in the event of customer's default of acceptance, the customer shall bear the costs incurred thereby.

6 Reservation of title

- 6.1 Chromsystems shall reserve title in all goods until receipt of all payments under the business relationship with the customer.
- 6.2 In the event of breach of the contract by the customer, in particular default of payment, Chromsystems shall be entitled to recover the goods in which title is reserved ("Reserved Goods"). Advance setting of a time period is not required in the event of default of payment. The withdrawal from the order concerned is not a pre-requisite for the recovery of the Reserved Goods. Withdrawal shall only be possible by express declaration in writing.

After recovery of the Reserved Goods, Chromsystems shall upon prior warning be entitled to realise the same in a reasonable manner; the realisation proceeds shall be applied to the customer's liabilities, less the reasonable costs of realisation.

- 6.3 For the duration of the reservation of title, the customer shall not be entitled to pledge the Reserved Goods nor to use them as security. The customer shall be entitled to resell the Reserved Goods in the course of its ordinary business activities, but in such case it already now assigns to Chromsystems all claims equal to the final invoice amount (including value-added tax) accruing to it against its customers or third parties from the resale, irrespective of whether the Reserved Goods have been resold without or after processing. The customer shall not be entitled to sell the Reserved Goods to purchasers that have excluded or restricted the assignment of payment claims against them. If the Reserved Goods have been reprocessed together with other items that do not belong to the customer, then the assignment shall be effected only in proportion of the co-title shares in the reprocessed goods pursuant to clause 6.5.

After the assignment, the customer shall retain the right to collect the claims. Chromsystems' entitlement to collect the claims itself shall not be affected thereby. However, Chromsystems shall not collect the claims as long as the customer fulfils its payment obligations from the proceedings taken in, is not in default of payment and in particular has not filed an application for the opening of insolvency proceedings nor suspended its payments. If any of this is the case, Chromsystems may request the customer to disclose the assigned claims and their respective debtors, to furnish all data necessary for collection, to hand over to it all documents pertaining thereto and to inform the debtors of the assignment. The customer's right to collect the claims shall lapse upon the occurrence of such a situation.

- 6.4 The customer shall be obliged to inform Chromsystems without undue delay of all seizures, attachments and other third party interference with respect to the Reserved Goods. In addition, the customer shall be required to notify these third parties of the reservation of title.

Inasmuch as the third party is unable to reimburse Chromsystems for the court and out-of-court costs of a legal action pursuant to section 771 of the German Code of Civil Procedure (ZPO), the customer shall be liable for the loss suffered by Chromsystems.

- 6.5 Any processing [*Verarbeitung*] or reworking [*Umbildung*] by the customer of the Reserved Goods shall at all times be performed on behalf of Chromsystems. If the Reserved Goods are processed or reworked with other items, Chromsystems shall acquire co-title in the new thing in proportion of the value of the Reserved Goods relative to the other items that are processed or reworked at the time of such processing or reworking; in all other respects, the same provisions shall apply for the new thing thereby created as for the goods delivered subject to reservation of title.

If the Reserved Goods are inseparably commingled [*vermischt*] or combined [*verbunden*] with other items not belonging to Chromsystems, Chromsystems shall acquire joint title in the new thing in the proportion of the value of the Reserved Goods to the other commingled or combined items at the time of commingling or combining. If the commingling or combining takes place in such a way that the thing of the customer is considered to be the principal thing, the customer shall transfer co-title to Chromsystems on a pro rata basis. The customer shall keep the sole title or co-title thus created in custody for Chromsystems.

As security for the claims of Chromsystems against the customer, the latter shall also assign to Chromsystems the claims accruing against third parties by the combining of the Reserved Goods with a real estate property.

7 Claims in the event of defects

- 7.1 The pre-requisite for the customer's warranty claims [*Mängelansprüche*] is that the customer inspects the products and effects proper notification of defects pursuant to section 377 of the German Commercial Code (HGB). Notification of defects shall be made in writing and provide specific details of the defect. Obvious defects shall be notified to Chromsystems in writing within one week of delivery, hidden defects within one week of being discovered. The periods specified are preclusion periods. The obligations to inspect for and notify defects also include the customer's obligation to report to Chromsystems without undue delay claims for monetary compensation or other defect claims asserted against it by its own purchasers in the case of a sale to consumers, stating the reasons for recourse. Acceptance of the goods may not be refused for minor defects.

- 7.2 In the event of a defect, Chromsystems may remedy the same at its choice by rectification or replacement delivery. If the rectification or replacement delivery ultimately fails, the customer shall be entitled at its choice to rescission of the contract [*Rücktritt*] or a reasonable reduction in the purchase price [*Minderung*]. Rectification or replacement delivery shall be made without acknowledgement of a legal obligation and shall not suspend the limitation period for the claims for defects relating to the goods. Damage claims exist in accordance with clause 8.

- 7.3 The limitation period for claims for defects shall be twelve months from delivery, in derogation of section 438, paragraph 1 subparagraph 3 of the German Civil Code (BGB). This restriction shall however not apply if a defect has been fraudulently concealed or a guarantee as to condition has been assumed. Further exclusions are (i) damage claims arising from death and injury to body and health and (ii) damage claims attributable to the deliberate or grossly negligent breach of obligations by Chromsystems or its legal representatives or agents.

- 7.4 No claims for defects shall exist for non-material deviations from the agreed condition which do not impair use to a material extent, for ordinary wear and tear, faulty or negligent treatment, unsuitable or improper use, improper installation or operation by the customer or by third parties it has appointed, overloading, the use of unsuitable facilities or replacement materials, defective construction work, unsuitable building land, chemical, electrochemical or electronic influences to the extent the damage is not attributable to fault on the part of Chromsystems. Also excluded are claims based on improper modifications or repairs by the customer or its authorized third parties or in relation to glass and plastic parts, or fuses.

- 7.5 Claims of the customer for expenditure required for the purpose of subsequent performance [*Nacherfüllung*], notably the costs of transport, journeys, labor and material, are excluded to the extent that the expenditure is increased as a result of the goods being brought to a place other than the agreed place of delivery. Chromsystems shall be entitled to invoice such increased costs to the customer.

- 7.6 Further claims for defects of any kind whatsoever shall be excluded, without prejudice to any claims for damages restricted according to clause 8.

- 7.7 The customer's statutory right for recourse in the event of the goods being sold to a consumer shall be unaffected. Such claims for recourse shall only exist inasmuch as the customer has not entered into any agreements with its purchasers that go beyond the statutory claims for defects.

- 7.8 The customer may at its own expense and risk and after prior consultation return incorrectly ordered goods within eight days after receipt, together with the invoice, for a credit note or for exchange if the original packaging is unopened and intact.

8 Liability

- 8.1 Chromsystems' liability for slight negligence shall be restricted to damages arising from the infringement of obligations, fulfillment of which is essential to the proper performance of the contract and on compliance of which the contractual partner typically relies and is entitled to rely; in these instances, liability shall be restricted to the foreseeable, typical occurring damage.

- 8.2 The limitations of liability in clause 8.1 shall not apply for customer claims (i) under the German Product Liability Act, (ii) for defects that have been fraudulently concealed, (iii) for defects in respect of which a guarantee as to condition has been undertaken or (iv) for damages arising from death and injury to body and health.

- 8.3 The limitations of liability in clause 8.1 shall also apply for the customer's damage claims against managing directors, senior executives, executives, representatives and agents of Chromsystems.

9 Force majeure

- 9.1 Should Chromsystems be prevented from performing its contractual obligations as a result of force majeure such as mobilization, war, terrorism, civil unrest or other unforeseeable circumstances for which Chromsystems is not responsible, such as for example strikes or lawful lockouts, interruption of operations, shortage of transportation, difficulties in procuring raw materials or inadequate deliveries to Chromsystems by its suppliers, the agreed delivery periods shall be extended in each case by the duration of the hindrance plus a reasonable ramp-up period but by no more than three months. Chromsystems shall also not be responsible for the aforementioned circumstances even if they occur during an already existing default. Chromsystems shall notify the customer of the circumstances of the hindrance as well as the anticipated duration of the delay.

- 9.2 Should the hindrance last for three months or longer, Chromsystems shall be entitled to withdraw from the unfulfilled portion of the contract.

10 Set-off and right of retention

Set-off and exercise of a right of retention by the customer due to contested counterclaims or counterclaims which are not final or res judicata are excluded. The exercise of any retention right by the customer is also excluded to the extent that the counterclaims are not based on the same contractual relationship.

11 Assignment

Without Chromsystems' prior written consent, the customer shall not assign its rights and obligations, neither in part nor in whole. Chromsystems shall be permitted to assign its rights and obligations, in particular to affiliated companies within the meaning of section 15 of the German Stock Corporation Act (AktG).

12 Applicable law - jurisdiction - language

- 12.1 The applicable law shall be that of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods (CISG) and the referral rules of the German Law on Conflicts.

- 12.2 The exclusive place of jurisdiction shall be Chromsystems' registered office. Chromsystems shall however also be entitled to sue the supplier at the latter's registered office.

- 12.3 The German version of these General Terms and Conditions of Sale shall alone be controlling.

13 Severability clause

Should individual provisions of these General Terms and Conditions of Sale be or become unenforceable, the remaining provisions shall remain enforceable.