

General Terms and Conditions

1. Scope

All deliveries and related services shall only be performed on the basis of these conditions of sale. Any reference of the Customer to his own terms and conditions is hereby objected to. Any deviations from these Terms and Conditions require the express written recognition by CarboFibretec. Our Terms and Conditions shall also apply if CarboFibretec, aware of any contrary or deviating conditions of the Customer, performs the delivery or service without reservation.

2. Offer, Offer Documents and Acceptance

2.1 CarboFibretec's offers shall not be binding.

2.2 A contract with CarboFibretec shall not be considered to be concluded until

- the Customer accepts the offer without reservation, or
- the Customer receives CarboFibretec's written order confirmation, or
- CarboFibretec commences the performance of the delivery or service.

If CarboFibretec issues a written order confirmation, it shall be decisive for the content and scope of the contract unless otherwise agreed expressly in writing.

2.3 CarboFibretec hereby reserves property rights and copyrights of images, drawings, calculations, specifications and other documents. This shall also apply to such written documents as are designated as "confidential". Before passing them on to third parties, the Customer shall require CarboFibretec's express written consent.

3. Changes, Additions, Side Agreements

3.1 Unless otherwise agreed with the Customer, CarboFibretec reserves the right to make changes to the construction, the choice of materials, the specification and the form of production even after the

conclusion of the contract if the changes remain within the scope of the purpose of the contractual performance.

3.2 Apart from that, changes and side agreements must be in writing to be effective.

4. Product Quality, Samples, Warranties

4.1 Unless otherwise agreed, the quality of the goods shall be defined exclusively on the basis of CarboFibretec's product specifications.

4.2 Properties of samples shall only be binding if they have been agreed as quality of the goods expressly.

4.3 Information on quality and durability shall only be warranties if they have been agreed and designated as such.

5. Pricing, Terms of Payment

5.1 Unless otherwise agreed in writing, CarboFibretec's prices are strictly net and exclude packing and any other shipping and transportation costs. The packing will be invoiced at cost and will only be taken back if CarboFibretec is obliged to do so due to mandatory statutory regulations. The statutory value added tax shall not be included in the prices; it shall be indicated separately on the invoice at the statutory amount applicable on the day of invoicing.

5.2 CarboFibretec reserves the right to change the prices appropriately if costs reductions or cost increases, particularly of material or wage costs or other associated costs, occur after the conclusion of the contract. Said reductions or increases shall be proved to the Customer on request.

5.3 The Customer's requests for changes which are connected with additional costs shall be invoiced to him.

5.4 Unless otherwise agreed in individual cases, if payment according to hourly or daily rates has been agreed, CarboFibretec's current price list at the time of performance shall apply. CarboFi-

bretec reserves the right to request adequate part payments or advances. Associated costs or any other costs incurred on the occasion of the performance of the contract shall be invoiced at their actual amount.

5.5 The deduction of a discount shall require a special written agreement.

5.6 Unless otherwise agreed, the purchase price shall be paid net (without any discount) within 14 days after the date of the invoice. If on the basis of an express agreement, cheques are accepted in individual cases, CarboFibretec will accept them on account of performance but not instead of performance. Any costs in connection with the cheques shall be borne by the Customer. CarboFibretec will not recognize payments by cheque as performance until the amounts concerned have been credited to the bank account without reservation.

5.7 If CarboFibretec is entitled to several claims against the Customer, CarboFibretec will decide which debt the payment will be credited against. The Customer may claim any rights of set-off or retention in relation to payments only if his counterclaims have been established as final and absolute, are undisputed or have been recognized by us in writing. Apart from that, he shall be entitled to exercise any right of retention insofar as his counterclaim is based on the same contractual relationship.

5.8 If the Customer's payment is delayed, CarboFibretec shall be entitled to charge default interest; in the case of invoicing in euro, said interest shall be 8% above the base rate announced by the German Central Bank which is current at the time at which the delay occurred, and in the case of invoicing in a different currency, it shall be 8% above the then current discount rate of the central bank of the country whose currency the invoicing was performed in, unless CarboFibretec proves any exceeding damage to the Customer. If after the conclusion of the Contract and prior to CarboFibretec's own performance,

CarboFibretec becomes aware of circumstances according to which CarboFibretec's claims against the Customer seem to be at risk due to the Customer's lack of ability to perform, CarboFibretec may, at its choice, perform any outstanding deliveries only against prepayment or the provision of security or, after the fruitless expiry of a deadline fixed for this purpose, withdraw from the contract. The right to claim damages shall continue to be reserved. If after the performance of the services, CarboFibretec does not comply with the terms of payment, or if circumstances become known by which the Customer's creditworthiness may be reduced, all claims of CarboFibretec will become due for payment immediately. Besides, CarboFibretec may prohibit the further sale of the goods supplied subject to reservation of ownership, require their return or the transfer of the indirect possession at the Customer's expense or, if a direct debit authorization has been given, revoke the same in accordance with Section 10.2.

5.9 CarboFibretec may assign or transfer the claim out of the contract to any third party.

6. Delivery Period

6.1 Delivery periods and delivery dates shall always be considered to be only approximate. Such periods shall commence no earlier than the date at which our written order confirmation is sent, but not before the Customer has provided the documents, materials and devices, approvals, drawings and releases to be provided by him or before any agreed advance payment has been received.

6.2 The delivery period shall be considered to be complied with if by the time of its expiry, the delivery item has left the works or notification of the readiness to dispatch has been given.

6.3 If changes or additions to the delivery contract are agreed at a later date, a new delivery period shall be agreed at the same time as appropriate. The new delivery period shall not commence before CarboFibretec's new order confirmation is sent.

6.4 Any force majeure events shall entitle CarboFibretec to postpone the performance of the services by an adequate period or to withdraw from the contract with regard to its portions not yet fulfilled. Strikes, lockouts, mobilization, war, blockades, export and import bans, lack of raw materials and fuel, fire, traffic blocks, obstructions to operation or transport and similar circumstances shall be equivalent to force majeure, even if presuppliers are concerned. Any damage claims of the Customer shall be excluded in the case of force majeure if neither wrongful intent nor gross negligence from the part of CarboFibretec exists.

6.5 CarboFibretec shall not be responsible for the above circumstances even if they occur during an existing delay. The Customer shall be informed of the beginning and end of such obstructions as soon as possible.

6.6 Delivery obligations and the delivery period shall only be agreed subject to proper and timely deliveries to CarboFibretec. If such deliveries are not performed, CarboFibretec shall be entitled to withdraw from the contract without being liable for compensation.

6.7 If CarboFibretec's performance is delayed, the Customer shall fix an adequate grace period. After the expiry of said period, the Customer may withdraw from the contract. The amount of any damage claims of the Customer shall be limited to 5 % of the order value. Said limitation shall not apply in the case of a breach of major duties which jeopardizes the purpose of the contract or in the case of gross negligence or wrongful intent from the part of CarboFibretec. The above provision shall also apply in the case of any impossibility of performance for which CarboFibretec is responsible.

6.8 Partial deliveries shall be permitted.

6.9 If the acceptance by the Customer is delayed, or if the Customer culpably breaches other duties to cooperate, CarboFibretec shall be entitled to require

compensation for the related damage suffered, including any additional expenses. Any further claims or rights shall continue to be reserved.

7. Passing of risk

7.1 The risk of the accidental loss or accidental deterioration of the goods shall pass to the customer as soon as the goods are ready for collection at CarboFibretec's place of business and the Customer has been notified of the readiness to transport.

7.2 If CarboFibretec has taken over the delivery, the risk of the accidental loss or accidental deterioration of the goods shall pass to the Customer when the goods leave the works.

7.3 Said rules shall also apply if partial deliveries are performed or if CarboFibretec has also taken over other services.

8. Warranty

8.1 The Customer shall check the content and quality of deliveries and services of CarboFibretec immediately after the receipt of the goods and/or perform inspections of goods on the basis of CarboFibretec's shipping documents. Complaints shall be made in writing within 8 working days with the recognizable defects being specified. Any defects which only become obvious at a later date prior to the expiry of the period of limitation for warranty claims shall be complained about in writing within 8 working days after they are recognized by the Customer. If the Customer breaches the duty to inspect and complain, the delivery item shall be considered to be approved in consideration of the defect concerned.

8.2 In the case of justified complaints, CarboFibretec shall perform a repair or replacement at his choice. If the repair or replacement is unsuccessful, the Customer may require the rescission of the contract or reduction of the price. Any claims for damages shall be excluded principally except in the case of wrongful intent or gross negligence from the part of CarboFibretec or its performing agents. In the

case of commercial transactions, claims for damages shall also be excluded if assured properties are missing unless the very purpose of the assurance was to prevent any consequential damage caused by defects.

8.3 CarboFibretec will not assume any warranty for damage or defects which are caused by an unsuitable or improper use, processing or modification of the goods supplied by CarboFibretec which is made by the Customer or a third party. The same shall apply if CarboFibretec's instructions concerning the handling of the supplied goods have not been observed or the defects were caused by missing or incomplete technical documents, parts or raw materials to be provided by the Customer.

8.4 The period of limitation for claims for defects shall be 12 months, counted from the delivery of the goods or, for the production of a work, 12 months from its acceptance.

9. Execution of the Order

9.1 CarboFibretec undertakes to base its services on the most up-to-date generally recognized state of science and technology at the time at which the order is placed and on its own experience and findings. Services, studies, planning activities, analyses, evaluations and the like shall be prepared and carried out in accordance with the principles of proper professional conduct. The achievement of a particular economic success will not be owed.

9.2 If the contract's subject matter or part thereof is the content of research and/or development work, CarboFibretec shall, for the portion of the contract that constitutes the research and development work, comply with its contractual obligations if it makes its best efforts to achieve the best possible result in consideration of Section 9.1 above and within the possibilities of the agreed payment.

10. Reservation of Ownership

10.1 CarboFibretec reserves the ownership of the supplied goods until the complete payment of all, even future, claims arising from the business relationship, even if payments for any specially designated claims have been made. For current accounts, the reservation of ownership shall be considered as a security for CarboFibretec's balance claim.

10.2 Goods subject to reservation of ownership may be sold only as part of proper business transactions. This shall no longer apply if the Customer is in default. The Customer shall neither be entitled to pawn said goods nor to assign their ownership as security. Any attachment by third parties shall be reported to CarboFibretec immediately.

10.3 Any and all processing or connection which the Customer performs on the goods supplied by CarboFibretec will be performed on behalf of CarboFibretec without any liabilities for CarboFibretec arising from it. In the case of any processing, modification or connection with other items not belonging to CarboFibretec, CarboFibretec shall be entitled to co-ownership of the new object at the share resulting from the ratio of the invoice value of the processed, altered or connected goods subject to reservation of ownership to the value of the new object.

10.4 The Customer shall assign all claims – including any and all balance claims arising from current accounts – against third parties arising in connection with the use of the goods subject to reservation of ownership, particularly due to resale or processing, to CarboFibretec at the amount of the invoice value of the goods supplied by CarboFibretec. The assignment shall serve as security for all claims, particularly also damage claims, which CarboFibretec may have against the Customer. The Customer shall be entitled to collect the assigned claims until the revocation by CarboFibretec. The authorization to collect shall expire without express revocation in the case of a delay or other signs of financial difficulties of the Customer.

10.5 If the realizable value of the existing securities exceeds CarboFibretec's claims by a total of more than 20 %, CarboFibretec shall be obliged to release the securities of CarboFibretec's choice in this respect upon the Customer's request.

10.6 In the case of any delay in payment, the Customer shall, on CarboFibretec's request, provide all information which is useful for enforcing CarboFibretec's rights under the reservation of ownership and, in particular, shall provide an account of the goods subject to reservation of ownership and their whereabouts.

10.7 The Customer's right to possess the goods subject to reservation of ownership shall cease to exist if he does not fulfil his obligations arising from the mutual business relationship. In such case, CarboFibretec shall be entitled to enter the company site or other estates of the Customer, to take possession of the goods subject to reservation of ownership and to exploit them in the best possible way after prior announcement. The yield will be set against the Customer's liabilities after the deduction of the costs. The taking back and exploitation of the items supplied subject to reservation of ownership shall not constitute a withdrawal from the contract.

11. Rights of Use / Industrial Property Rights

11.1 Using the company's usual degree of diligence, CarboFibretec shall check that the results of its work do not interfere with third-party rights or infringe such rights.

11.2 Should third parties make claims against the Customer with regard to the development results which CarboFibretec has produced for the Customer, CarboFibretec shall indemnify the Customer against such claims. A prerequisite shall be that the Customer informs CarboFibretec immediately so that CarboFibretec has the opportunity to take the measures necessary for defending its rights.

11.3 If CarboFibretec does not succeed in defending itself against said claims

within 6 months, the parties to the contract shall make an effort to achieve a contract change which comes closest to the economic interests of the parties.

11.4 CarboFibretec shall be entitled to alter the work and/or development result so that the infringement of third-party rights will be excluded as long as the suitability of the service to be provided by CarboFibretec for the customary use and the use assumed under the contract is not removed or reduced.

11.5 Except in the case of wrongful intent or gross negligence, the liability and/or exemption shall be limited to the user fee customary in the industry. The Customer's right to withdraw from the agreement shall remain unaffected.

11.5 If the order or part thereof concerns development or research work, the Customer shall be granted a non-exclusive, gratuitous right of use for an unlimited period for those development results created during the execution of the order which are not patentable.

11.6 If during the performance of the contract, existing industrial property rights and/or unproprietary findings – insofar as they are company secrets – are used and if they are necessary for utilizing the development results, the Customer shall be granted a non-exclusive, non-gratuitous right of use, which shall be agreed separately as appropriate, at customary market conditions.

12. Limitation of Liability

12.1 Any liability for damages that goes beyond the provisions of these Terms and Conditions shall be excluded, regardless of the legal nature of the claim made. This shall apply, in particular, to damage claims due to fault at the time of the conclusion of the contract or due to other breaches of duty, and to tort liability for property damage under Art. 823 of the German Civil Code (BGB).

Exception from the above shall be claims of which the related damage

- was caused by the culpable breach of a major contractual duty

- (cardinal duty) in a manner jeopardizing the achievement of the purpose of the contract,
- or is due to the gross negligence or wrongful intent of CarboFibretec.

12.2 If under Section 12.1, first item, CarboFibretec is liable for the breach of a major contractual duty without any gross negligence or wrongful intent existing, the liability shall be limited to that extent of damage whose occurrence CarboFibretec could typically expect at the time of the conclusion of the contract on the basis of the circumstances known to CarboFibretec at that time.

12.3 Insofar as the liability for damages towards CarboFibretec is excluded or restricted, this shall also apply with regard to the personal liability for damages towards its staff, employees, representatives or performing agents.

12.4 The above limitation of liability shall not affect CarboFibretec's statutory liability towards the aggrieved party under the German Product Liability Act.

13. Place of Performance, Place of Jurisdiction, No Assignment.

13.1 The place of performance for all duties arising directly or indirectly from this contractual relationship, including the duty of payment, shall be CarboFibretec's place of business.

13.2 If the customer is a merchant under the German Commercial Code (HGB), an entity of public law or a special fund of public law, the place of jurisdiction shall be CarboFibretec's place of business. CarboFibretec shall also be entitled to sue before a court which is competent for the place of business or branch of the Customer.

13.3 Any assignment of claims against CarboFibretec to which the Customer is entitled due to the business relationship shall be excluded.

14. Applicable Law

14.1 Only the law of the Federal Republic of Germany shall apply to these Terms and Conditions and the entire business relationship between CarboFibretec and the Customer.

14.2 The application of the UN Convention on Contracts for the International Sale of Goods shall be excluded.

15. Final Provisions

15.1 Any changes and additions or side agreements shall be effective in writing only.

15.2 Should a provision of these Terms and Conditions be or become ineffective, the effectiveness of the other provisions shall remain unaffected. Any invalid provision shall be replaced by mutual agreement of the Parties so that the original purpose is achieved as far as possible.

As of May 2010