

General Terms and Conditions of Business

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The following general terms and conditions of business shall apply to all legal transactions of WEH with its customers, so far as no deviating agreements have been made. In general, supplementary or deviating agreements require the written form. The same shall apply to any amendment of the clause regulating the written form. In general, the general terms and conditions of business of the contractual partner shall not apply.

The general terms and conditions of business are available for download at www.weh.com.

1. Conclusion of contract

1.1 On placing a written or verbal order, the ordering party shall be bound to the contractual offer for 14 days. The contract shall become binding if WEH has confirmed it in writing and /or by fax or by email or if delivery has taken place.

1.2 Offers from WEH are generally non-binding. If deliveries take place without confirmation of order or supply agreement, then the invoice and/or the delivery note shall be regarded as the confirmation of order on the basis of the current general terms and conditions of business of WEH.

2. Brochure details

2.1 In general, only those product descriptions contained in the current brochures and product information documents of WEH shall be valid. Older brochures and documentation shall automatically lose their validity as soon as an updated edition of brochures and documentation is sent to the customer or made available on the Internet.

All details, measurements, values, conditions for use and other contents are in some cases approximate values theoretically determined in trials and as such, they are in general non-binding unless they have been expressly designated as binding by WEH or have been expressly agreed contractually.

Products from standard manufacture are supplied according to sample or catalogue. Commercially acceptable slight variations in colour, grain, pattern and form are within the bounds of the contract. WEH reserves the right to implement constructional or technical changes, so long as the functionality of the product continues to conform to requirements.

3. Prices and payment conditions

3.1 The prices are fixed prices without valueadded tax and excluding supplementary payments. If no alternative agreement is made, the WEH price list in force at the time of the closure of contract applies, so far as this does not change 3 months before the delivery

date. This change in the price list shall be acceptable where an essential change in the cost factors such as raw materials, subcontracted parts, wages, social insurance charges, taxes etc. occurs. WEH has the right to modify the price list to a reasonable extent in proportion to the influence of the said cost factors.

Where call-off supply agreements are concerned, binding quantities shall be called-off by written notification 2 months before the required delivery date at the latest, so far as no alternative arrangement has been agreed. Any supplementary expenses caused through late call-off or subsequent changes to the order shall be to the account of the customer. Assured delivery dates cease to be in force in the case of overdue call-off.

Prices are understood to be in EURO plus the respective current legal rate of valueadded tax. All prices are ex-works (EXW, Incoterms 2000) and excluding all supplementary payments whatsoever, particularly excluding transport, insurance, commissioning and any other expenditure concerning use by the customer. Commissioning, maintenance and other user support services are in general cost plus services charged on a case by case basis, where by the hourly rate is calculated according to the respective current price list with the listed volume discounts. For a purchase volume below 50.00 EUR, WEH shall have the right to charge a reasonable mark up for small volume purchases.

Unless otherwise agreed, invoice amounts fall due in full 30 days after the invoice date. For payment within 10 days a discount of 2 % may be deducted. For order volumes of more than 25,000 EUR the following due dates shall apply: 1/3 of the total invoice amount shall become due on placing the order, 1/3 on receipt of delivery notification and 1/3 30 days after delivery.

In the case of faults in the goods or installation, the customer has a right to retain only a reasonable proportion of the purchase price, commensurate with the type of fault and the degree of impairment of use.

3.2 If payment becomes overdue, interest on arrears at the rate of 1 % per month shall be levied without further reminder. If the customer is a company, interest on arrears shall be levied at the rate of 1.5 % per month above the base rate. In the case of arrears being incurred, all selected rebates and other discounts shall become null and void.

3.3 The customer may only off-set with counterclaims that are uncontested or recognised or titled.

4. Delivery and transfer of risk

4.1 Upon delivery of the goods to a carrier or other person charged with performing transport, the risk shall be transferred to the customer.

4.2 WEH always reserves the right to supply partial quantities in acceptable amounts.

4.3 In the case of delivery to a foreign country, all additional costs incurred, in particular customs duty, charges for shipping papers, import purchase tax etc. shall be to the account of the customer, even where franco domicil delivery has been agreed. This applies also to additional transport costs from the border.

5. Delivery date

5.1 Due delivery dates shall begin when confirmation of the order is sent out. The delivery date shall be deemed as complied with if the goods leave the WEH works on the due date. WEH falls into default without reminder only if a written, binding, agreed delivery date for a particular calendar day has been exceeded. In this case the customer shall grant a reasonable period of grace of at least 4 weeks. Events such as force majeure, unforeseeable circumstances and other unforeseeable disruptions of the business operations of WEH or its suppliers, which owing to the circumstances of the case are unavoidable despite appropri-

ate care taken by WEH or its suppliers, postpone the delivery date by an appropriate period. In such cases, WEH is relieved of its duty of performance if delivery within a reasonable period of grace is not possible.

If WEH for fulfilment of the purchase agreement has closed a corresponding cover business, then WEH is not obliged to deliver if the supplier cannot deliver. WEH has a duty to inform the customer immediately of such circumstances and to return without delay any monies already paid.

5.2 WEH may refuse to deliver if, after closure of the contract, facts become known which indicate that the customer's ability to fulfil his part of the agreement is jeopardised due to lack of funds and /or credit-worthiness. In this case, delivery shall only take place if the customer makes advance payment or provides adequate security.

WEH has the right to grant the customer an adequate period in which to make advance payment or provide security and to withdraw from the contract after this period has expired. The setting of such period may be dispensed with if the customer at the time of closing the contract has maliciously or negligently withheld known facts or facts which were unknown through negligence on his part.

6. Information provided by the customer

6.1 The customer accepts liability for the details and other information provided by him for the purpose of planning and production as well as for the suitability of the installation site. All additional costs incurred through misinformation or unsuitability of the installation site shall be to the account of the customer.

The customer is responsible for the accuracy of his information and for the timely provision of all necessary information. The customer is liable in particular for all additional costs incurred through breach of his duty to cooperate.

7. Retention of title and Rescission

7.1 All deliveries of WEH are performed under retention of title. The respective delivered goods shall remain the property of WEH until full payment has been received in respect of all goods delivered and of any outstanding sums for services previously rendered. Upon request of the customer to this effect, WEH undertakes to release all securities in so far as the value of such securities exceeds the outstanding sums thereby secured by more than 20 %. The choice of securities to be released shall be at the discretion of WEH.

In the case of re-sale of contractual goods, the customer assigns his claims and subsidiary rights to WEH at this point for reasons of security. Apart from the revocation possible at any time, the customer has the right to recover the assigned claim. So long as the right of title of WEH is upheld, WEH has the right to assure himself at any time of the correct and proper storage and handling on site and to recover the said goods after a suitable period of grace in case of default, without such step involving withdrawal from the contract.

All costs for the necessary recovery of the goods, including any possible renewed delivery, shall be to the account of the customer.

8. Withdrawal from the contract

8.1 If the customer refuses to accept goods ordered in the normal manner, or if the customer declares prior to delivery either verbally or in the general sense, also by non-response to a corresponding written request containing notification of the legal consequences of this paragraph, that he will not accept the goods, then WEH may without further demand withdraw from the contract and demand damages in lieu of payment.

8.2 In the case of WEH withdrawing from the contract due to conduct of the customer, in particular due to overdue payment or in the case of item 5.2 or any other unauthorised annulment of the contract by the customer following delivery and recovery of goods, WEH shall have the right to claim damages and compensation for expenditure incurred.

8.3 In consequence of non-fulfilment, WEH has the right to claim damages at a fixed sum to the amount of 30 % of the net order volume. For expenditure arising from the contract, such as transport, return transport and installation costs etc., WEH shall receive compensation to the value of the respective costs incurred. The hourly rate per employee is 50.00 EUR plus value-added tax and travel expenses of 0.90 EUR per km plus value-added tax. These rates shall also apply in all other cases within these general terms and conditions, in which the costs shall be to the account of the customer.

8.4 WEH remains entitled to prove and to claim higher damages than the fixed compensation rates given above, and the customer remains entitled to present for proof lower damages to WEH. If the customer is late in calling off, then after a call-off delay of more than 14 days he shall be liable to pay any storage costs incurred.

9. Warranty

9.1 WEH guarantees the faultless condition of its products in accordance with the contractual specifications within a warranty period of one year, calculated from the date of transfer. If the customer is a consumer, the legal warranty period shall apply.

If the customer is a company, then any complaints concerning incomplete or incorrect delivery or complaints concerning obvious or normally recognisable deficiencies must be notified to us in writing at the latest 14 days after receipt of the goods. Should the customer fail to make such deficiency notification within the said period or have used or resold the said goods, then they shall be deemed to have been accepted without reservations.

Due to the numerous application possibilities for WEH products, WEH accepts no warranty obligations for the actual application possibilities and concrete conditions of use at the customer's site unless this has been expressly assured in writing and the concrete conditions of use on site have been described to us correctly and in writing by the customer.

If the customer is a company, then warranty claims at the discretion of WEH shall be limited to rectification of the deficiency or replacement. Any further claims of the customer, particularly claims for consequential damages arising from deficiencies shall be excluded with the exception of personal injury, in so far as WEH is deemed to have acted negligently. In particular, WEH shall not be liable for damage that has not occurred to the supply object itself.

In particular, WEH shall not be liable for lost profits or for any other damage to assets of the customer. This limitation shall not apply in cases of claims due to intent, gross negligence or malice. Where claims for damages are given, these shall expire one year after transfer of the goods. The prerequisite for all warranty claims of the customer is that the customer shall make all reasonable efforts to bring about the rectification of the deficiency, especially by documented notification of the deficiency as soon as it is noticed.

In the assessment of the reasonability of rectification

periods the difficulties encountered by WEH with regard to the capability of their suppliers to deliver shall be taken into account.

WEH has the right to refuse rectification of the deficiency until such time as the customer shall make a reasonable down payment on the total price taking the existing deficiency into account, in particular that part of the price relating to any non-deficient parts. If the customer makes complaint about a deficiency which does not constitute a deficiency or which is one for which the customer is responsible, then the customer shall be liable for any costs incurred, in so far as he is deemed to have acted negligently.

The warranty shall become null and void in its entirety if products of WEH are not used for the intended purpose or are used in exceptional operational circumstances and/or replacement parts other than WEH-parts are used, in cases of improper maintenance, particularly when maintenance instructions are breached or if the goods are in any other way improperly handled or used or wrongly assembled. The warranty and the liability shall also become invalid if the products of WEH are processed or modified in any way. In this case the onus of proof that the processing or modification is not the cause of the deficiency or damage incurred shall lie with the customer.

If two successive rectification attempts prove unsuccessful, then rectification shall be deemed to have failed. The right to withdraw shall be excluded in so far as the deficiency is deemed to be slight.

10. Liability

10.1 WEH shall be liable for compensation claims arising from damage to health, life or body either by the intent, gross negligence or carelessness of its legal representatives and/or agents. For other damage arising from contractual or non-contractual breach of obligation WEH shall be liable only in cases of gross negligence and intent by its legal representatives, agents or employees, in so far as they do not constitute a breach of essential contractual or cardinal obligations. In the case of a breach of essential contractual or cardinal obligations WEH shall be liable even in cases of carelessness, however only for any damages foreseeable at the time of closure of the contract.

This liability shall be limited to the claim sum covered by WEH's liability insurance. WEH shall not be liable for providing information or advice unless this expressly constitutes an integral part of the contract. Information and advice relating to the processing of an order are not essential contractual obligations, for which liability shall be limited to serious fault and foreseeable damage.

Exclusion from liability in accordance with these general terms and conditions shall not affect claims arising from the product liability law.

11. Operating instructions

11.1 In case of the violation of the operating instructions of WEH all guarantee claims of the client will expire. WEH will also assume no liability, concerning consequential harm caused by a defect, especially not for loss concerning other subjects and/or persons.

12. Secrecy and copyrights

12.1 If within the bounds of the business relationship any protected documents, objects and any other information is transmitted or forwarded, then these are protected by copyright. WEH is the owner of all copyrights.

Our customers agree to treat as strictly confidential the protected documents, objects and other information and to neither copy them nor reproduce them, forward them, distribute them or to otherwise make them available to third parties and/or to provide knowledge of them to third parties without written consent of WEH. Any use whatsoever of the protected documents, objects or other

information without contractual basis and without the consent of WEH shall also be prohibited. The protected items may only be made available to those persons to whom access to the said documents is absolutely necessary for the purpose of fulfilling the contract and within the bounds of cooperation.

The customer also agrees to treat as strictly confidential any other information marked as confidential or of an obviously confidential nature and to use such information only within the bounds of this agreement. This shall apply also after termination of the business connection. All samples, drawings and other documentation of WEH, the transfer of which bears no direct relation to the purpose of the contract, shall also remain the physical property of WEH.

13. Data protection

13.1 The customer agrees that the personal data included in the contract shall serve purely for the purpose of internal processing and analysis and shall not be given to third parties. He agrees to our using them for newsletters.

13.2 WEH shall have the right to apply to the SCHUFA (protection society for general loan security) or any other information source for credit information on the customer. The customer shall give his express consent to said application.

14. Jurisdiction and place of performance

14.1 This agreement is subject to non-unified German law, namely, BGB (German civil code) and HGB (German commercial code). The provisions of the Vienna UN Convention of April 11th, 2005 concerning contracts for the international sale of goods (CISG) shall not apply.

14.2 The place of jurisdiction for legal disputes arising from the contract shall be Illertissen.

14.3 For all customers of not German speaking countries the language of all other technical documentations etc. is English.

14.4 If the customer has no place of residence in this country, or has transferred it to another country after closure of the contract or if his place of residence or habitual whereabouts are unknown at the time an action is brought, then the place of performance and jurisdiction shall be the main seat of WEH or that of the customer, as shall be decided by WEH.

14.5 Should one or more of the provisions of these general terms and conditions be or become invalid, then the validity of the remaining provisions shall remain unaffected.

A new clause coming as close as possible in meaning to the intended purpose of the original shall take the place of the invalid clause.

Although every care has been taken in the translation of these general terms and conditions, the German language version shall be binding in the event of any legal dispute.