

General Terms and Conditions Ceramer GmbH

effective from April 1, 2003

1. Applicability These terms and conditions shall apply to all deliveries made by us, either now or at any future date, to the exclusion of our customers' general terms and conditions of business, and subject to any divergent written agreements. Even if we fail to expressly refuse them, purchasers' terms and conditions shall not apply.

2. Quotation; Placement of Order Our quotations are without obligation. Orders and verbal agreements shall only be binding on us if and as far as we confirm same in writing by fax or electronic ordering systems, or comply with same by sending the goods and the invoice.

3. Calculation; Prices Calculations shall be made on the basis of the weights or numbers dispatched. The prices given in the contract shall apply. Our prices shall include packaging (safe for lent packaging) plus the statutory value added tax in force at the time. If not otherwise agreed, the prices shall be ex works (exw INCOTERMS). The INCOTERMS in their then current version as well as the Uniform Customs and Practice for Documentary Credits shall apply.

4. Quality, Delivery and Consultation Deliveries shall be made in accordance with our standard specifications or the agreed specifications. Conditions of the goods, that the purchaser can expect according to our or our agents' public announcements, in particular in advertisements and in the labeling the goods or due to trade practice, only form part of the contractual quality of the goods if we have explicitly agreed them as such in written form with the Purchaser. Guarantees are only binding on us if they have been described as such by us in and written form, and such document also contains in detail our obligations resulting from such guarantee. The making available of samples does not constitute a guarantee unless it is explicitly agreed in writing as such with the purchaser. Delivery dates are not binding unless expressly specified by us as being such in writing. We are entitled to make part deliveries. Invoices issued for such part deliveries shall be payable independent of the entire delivery. Manner and means of dispatch shall be at our option. Purchaser's requests shall be taken into consideration as far as possible; any extra costs thus incurred shall be borne by purchaser. If we are to blame for exceeding a binding delivery date, and if an extra period of grace conceded in writing by customer expires without results, customer may withdraw from the contract or demand compensation according to item 10. Above rights shall lapse if customer accepts the goods being delivered late. The purchaser shall determine whether the goods are suitable for any particular purpose that he might have. Instructions and information given in the context of our consultations do not release the purchaser to perform own tests.

5. Force majeure Operational breakdowns, delayed deliveries or non-performance on the part of our own suppliers (including intra-group suppliers), shortages of energy supplies or raw materials, and traffic disruptions to the extent that the events were unforeseeable, as well as strikes, legal lockouts, government orders, and other instances of force majeure shall release the party thus affected from its obligation to either make or take delivery for the duration of such disturbance and to the extent of its effects provided that the party is not responsible for the disturbance. If making or taking delivery is thus delayed by more than one (1) month, then each party shall be entitled - on exclusion of all further claims - to withdraw from the contract in respect of the quantity affected by the factor preventing such delivery from being made or taken.

6. Terms of Payment Unless a specific agreement has been reached, our invoices shall be due immediately and payable without any discount within 30 days of date of invoice. Reductions for bank charges, postage etc. shall not be accepted. Payments may only be made to our employees provided they present written authorization to collect payment. If payment is made by check, purchaser shall be liable in the event of the check getting lost during forwarding.

7. Default of Payment, set-off In the event of default of payment, or the existence of any reasonable grounds for doubting purchaser's solvency or credit worthiness, we shall be entitled to demand advance payment for outstanding deliveries and to call for immediate payment of all other claims arising from the business connection. Our obligation to deliver shall be suspended as long as purchaser is in default with any payments due. We are entitled to charge interest in accordance with the applicable statutory provisions. We reserve the right to pursue further claims for damages due to delayed performance. Purchaser may only offset our claims or assert right of retention in this respect if the counter-claim is undisputed or recognized by declaratory judgment. We are entitled to offset all claims the purchaser has against us or against one of our group companies.

8. Security, Packaging When storing and processing the goods Purchaser shall observe the applicable statutory provisions as well as any security guidelines or specific information provided by us that he is aware of, and shall pass on such information to his customer when reselling the goods. Our goods may only be stored and transported in approved packaging, and means of transport with the required identification label.

9. Complaint about defects, liability for defects Purchaser must check whether the goods supplied comply with the contractually agreed standards of quality. If no such check is made, or is not carried out sufficiently thoroughly,

or if we are not notified about visible defects, including deviations in quantity or incorrect deliveries immediately after receipt of the goods, then the goods shall be deemed accepted in respect of such defects. Hidden defects shall be deemed accepted unless we are immediately notified in writing of such defects upon discovery of same, or within 12 months of the goods being delivered at the latest. Notice of visible defects to goods in transit has to be given to us immediately, notice of hidden defects to goods in transit within 3 days of the goods having been delivered. Complaints must be made in writing, with the corresponding documents and samples as well as, if necessary, photographs. We are under no obligation to return or store any goods sent back to us without our prior consent. We shall at our choice respond to justified complaints duly made by replacing the goods, reduce of the purchase price or taking same back in return for a refund of the purchase price. To the extent that the goods have been processed or altered, or the buyer cannot return them for other reasons, the statutory provisions of § 346 II, III BGB (German Civil Code) shall apply. Damages shall be paid according to clause 10. Further warranty claims are excluded. To the extent that storage specifications and best before dates are stated on our packaging, all liability on our part shall lapse, if these specifications have not been observed. When we explicitly sell reduced qualities, no liability shall exist (§ 442 BGB), unless the goods deviate from the agreed quality. The limitation period for warranty claims is 12 months form delivery of the goods at the purchaser's place of business unless we have acted fraudulently. If the goods are sold to consumers the aforementioned rules shall not apply to compensation claims of the purchaser. Such compensation claims only exist to the extent that the purchaser has not given any warranties to his customer in addition to the warranties provided for by statutory law. In respect of the extent of such compensation claims, the provisions of clause 10 apply.

10. Limited Liability We are only liable for intent and gross negligence, as well as slight negligence when breaching a material obligation or a cardinal obligation in a way jeopardizing the purpose of the agreement. In the case of liability for slight negligence our liability is limited to such damages and such an extent of damages the occurrence of which we could of typically have foreseen. This also applies in the case of gross negligence on the behalf of our vicarious agents (i.e. not legal representatives or executives). In the case of liability for slight negligence no liability exists for indirect damages, consequential damages and loss of profit. Claims for damages shall expire at the latest in two years after our purchaser has become aware of the damages and irrespective of that knowledge in three years after the damaging event. This shall not apply to claims based on intend. The aforementioned provisions shall not apply to claims for damages based on product liability, for personal injury, for defects following a guarantee for the quality of the goods and in case of fraudulently concealed defects. In all other cases the aforementioned provisions shall apply irrespective of the legal cause of the claim including claims based on tortious acts. The aforementioned restrictions on liability shall also apply if the goods are only specified in kind. They shall apply correspondingly to claims against our employees or agents.

11. Retention of Title By way of security for all claims to which we are entitled vis-à-vis purchaser by reason of the present and any future business relations, we shall retain ownership of the goods supplied until such time as all balances against the purchaser have been settled. Our title shall also extend to cover the new products created when our goods are processed. Such processing shall be done on our behalf as manufacturer. In the event our products are processed, linked or mixed with other things not belonging to us, we shall acquire co-ownership therein, in the ratio of the invoiced value of the goods subject to reservation of title in proportion to the invoiced value of the other materials. If goods subject to reservation of title are sold along with other items for an overall price, such assignment shall be limited to the proportionate amount of our invoice (including sales tax) for the goods subject to reservation of title included in such sale. If, under the statutory regulations applicable in purchaser's country, retention of title is not admissible or only admissible to a given extent, then the scope of our aforementioned rights shall be restricted to that which is legally permissible.

12. Industrial Property Rights, Trademarks, Publicity When using our goods the purchaser has to observe all existing industrial property rights (in particular patents). The trademarks that are protected for us or that we are permitted to use may only be used in connection with products manufactured by the purchaser with our express written consent. We reserve all industrial property rights in respect of all information that we supply the purchaser with when advising on application or other matters. Prior to the disclosure of such information to third parties (including affiliated companies of the purchaser) purchaser shall obtain our written approval. Any references by purchaser to existing business relations with us for publicity purposes need our express approval.

13. Place of performance, Jurisdiction and applicable law Place of performance for delivery is our respective delivery location, place of performance for payment is Bayreuth. Unless exclusive venue exists according to legal provisions, the place of jurisdiction for all pecuniary claims shall be München; for claims by us the place of jurisdiction may also be purchaser's principal place of business. The laws of the Federal Republic of Germany shall apply; the provisions of the United Nations Convention on Contracts for the International Sale of Goods are excluded.

14. Severability If any provisions of these general terms and conditions are or will become invalid this shall not affect the validity of any other provisions.

Please note: We store and process business-related personal data.