6.3 Observance of statutory and administrative regulations with regard to the storage and processing of personal data by Magnesia GmbH. All advisory services rendered.

1. General Terms - Applicability

1.1 Unless otherwise agreed upon by us in writing, the following terms and conditions shall apply to all present and future business contracts between Magnesia GmbH and its Buyers, including any advisory services rendered.

1.2 Even if Magnesia GmbH has knowledge of differing, contrary, or supplementary general terms and conditions of the Buyer, these shall not receive contractual validity if not consented upon in writing.

1.3 These terms and conditions shall only apply to natural persons or legal entities or incorporated private companies, which are acting in execution of commercial or independent business activities (merchants), as well as legal entities under public law and special assets of public law.

2. Offer, Conclusion of Contract

2.1 Unless otherwise agreed upon by us, all offers made by Magnesia GmbH without an express counter-proposition aimed at the execution of a contract with the Buyer shall not be binding upon us insofar as the said agreement is subsequently confirmed by us in writing. Authority given to staff members is restrained insor.

3. Prices and Shipment

3.1 If not otherwise agreed upon, all prices stated by Magnesia GmbH exclude all packaging, within the Federal Republic of Germany. The actual weight at delivery shall be the basis of price calculation.

3.2 If so wished by the Buyer, we will ship the product to destinations as requested by the Buyer. The Buyer carries the burden of shipment costs.

3.3 In the event of a breach of contract, the prices for new materials or shipment increase or decrease, we reserve the right to adjust prices in relation that those increases or decreases stand to the complete price. Should this be the case, the Buyer must be informed immediately, at the latest 7 days before shipment. We will show proof of increased costs upon the Buyer’s request.

3.4 A contract shall be valid upon our formal acknowledgment of the order in writing or via means of telecommunication or upon execution of the order.

3.5 We will ship in packaging according to trade custom at our discretion. Transport and packaging, including all other packaging as specified in the ordinance concerning packaging, are without obligation. Without prejudice to our quotation, the Buyer is called upon to make his own counter-proposition aimed at the conclusion of a contract with the German commercial regulations (§ 377 HGB), but at the latest within 10 days of receipt of the goods, claims for corrective actions, including any advisory services rendered.

4. Time of Delivery, Extent of Delivery

4.1 Unless an ex works delivery date has been explicitly agreed by us as binding, any date of delivery by us for delivery is an estimate only. Fixed delivery dates are binding only upon their written confirmation by us.

4.2 We are at all times entitled to deliver and fulfillment in part.

5. Force Majeure

5.1 Force majeure circumstances, particularly strikes, lockouts, war, shortage of raw material, failure of public utilities, Acts of God, or other unpredictable occurrences whatsoever beyond our control and affecting the normal operation of plant and machinery, or accidents of transport, as well as interference by means of jurisdictional sovereign acts, shall cause to void the contract being affected, and both parties shall be entitled to withdraw from the contract of the agreement in such an event for the period of the interruption and to the extent of the consequences thereof. Except for changes in the prices resulting from the condition that the affected contract is uneconomical for a limited time thereafter. This course of action shall also be applicable when under any of the aforesaid circumstances our suppliers are unable to meet their supply commitments and we, on the other hand, do not have any alternative source of procurement or if the conditions of procurement from such alternative source of procurement or if the conditions of procurement from such other source of procurement are not met. The Buyer is entitled to withdraw from the contract if the conditions of procurement from such other source of procurement are not met.

5.2 Should the delay in delivery in consequence of any of the aforesaid occurrences exceed 8 weeks, both parties to a contract are assigned the right to withdraw from the contract.

5.3 We shall not be liable to the Buyer for any consequential or indirect damage whatsoever arising out of force majeure circumstances.

6. Quality Data

6.1 All statements of contents or composition of our goods, whether set forth in our quotations or elsewhere, are estimates only and do not form part of the contract. Any samples or pictures accompanying our goods, except for officially componentable materials, shall be regarded as an approximate specimen only and are subject to certain deviations although we use our best endeavours throughout the manufacture and testing of our goods.

6.2 Any advisory suggestion or help given by us about the use of our goods is given according to best knowledge based on the state of our experience and knowledge. We shall assume no responsibility with respect thereto; verification of all information and data by means of appropriate tests and trials shall be the sole responsibility of the Buyer.

6.3 Transport insurance may be arranged by us at Buyer’s special request and on Buyer’s account. The weight or pieces of goods handed over to the carrier shall be conclusive for the premium payable.

9. Warranty

9.1 The Buyer is called upon to examine the goods supplied to us immediately after receipt of the same, and if considered reasonable also by way of appropriate trial, in respect of any manufacturing defects and erroneous or short supply.

9.2 Any detectable fault must be communicated to Magnesia GmbH in accordance with the German commercial regulations (§ 377 HGB) and within the latest within 10 days of receipt of the goods, claims for corrective actions, including any advisory services rendered. The Buyer is entitled to demand a rebate. If a mutual consent to the terms of rebate does not come off, the Buyer is assigned the right to demand cancelation of the contract.

10. Liability

10.1 We shall be liable for any gross negligence or intent of ours to the extent of the law.

10.2 Any liability for indemnification attributed to gross negligence of our vicarious agents shall be limited to the typically foreseeable loss or damage caused by the negligence.

10.3 In the case of slight negligence, we shall only be liable for violations of the essential contractual obligations, as well as for injuries to life, body and health.

10.4 Liability according to the law concerning product liability (Produkthaftungsgesetz) shall not be affected.

10.5 We shall not be held liable in any other case.

11. Terms of Payment

11.1 Unless otherwise agreed upon by us in writing, all payments shall be for the full amount of each invoice excluding production or set-off and each invoice shall be payable immediately upon receipt.

11.2 If any cash discount has been approved by us, the Buyer is entitled to that benefit on express condition that all outstanding accounts have been settled in full by the Buyer.

11.3 In accordance with § 288 (3) German Civil Code (BGB) the Buyer shall be in default, if he does not make payment within 30 days of maturity and receipt of invoice or equivalent bill.

11.4 If the Buyer is in default, interest on arrears will be charged in the amount of 8 % above the current German basic interest rate (Basiszinseszins). The assertion of further or higher damages shall not be impaired.

11.5 The Buyer may exercise any right on balancing accounts or of retention of money unless insor as his counterclaims are conferred upon us as legal or deemed undispu-

12. Proprietary Rights

12.1 Goods supplied by us remain the property of Magnesia GmbH until payment in respect of all debts owing has been made in full.

12.2 The Buyer is given authority to dispose of goods, that remain our property by reason of clause 12.1, in the normal course of business only as long as he punctually discharges his debts arising out of the business relationship with us.

12.3 When the goods, to which clause 12.1 applies, are processed, we shall be deemed to be the manufacturer of the resulting product and the processing being deemed to have been carried out on our behalf. We shall own the property in the resulting product in its entirety or at least in proportion of the invoice price of our goods to that of the other materials used, whereas the Buyer continues to be an agent of the title to our goods incorporated in the resulting product. This condition shall also be applicable to any case of blending or mixing.

12.4 The Buyer is required to inform us immediately of seizes by third parties of products delivered under proprietary rights, and to give us all relevant information, and hand over all relevant documents to us, as soon as possible.

12.5 Already at the time of concluding the contract with us, and until payment in respect of all owed debts has been made, will the Buyer - for security reasons - transfer all the clubs and other assets in good standing to us, as a result of the sale or processing of our products, or any legal claims, which result in the loss of our proprietary rights to the extent of our part of the affected products, including ancillary rights, to us. In this case, the Buyer receives the price of purchase only as a fiduciary for us, and is no longer discharged to us and until then to keep it separated from his property as a fiduciary for us. The same applies to claims resulting from insurance contracts. The Buyer is obliged to report to us immediately any seizes by third parties of those rights that the Buyer has transferred to us.

12.6 The Buyer is entitled to demand release of securities provided that the realisable value thereof exceeds the claims to be safeguarded by 20 %. The Buyer is given authority to collect the sums due out of our claims as long as he correctly discharges his obligations arising from the business relationship with Magnesia GmbH. The Buyer shall be under obligation to furnish us on demand with a list of names and addresses of his debtors along with the respective outstanding debts and copies of invoices in evidence thereof.

12.7 If payment by the Buyer is no longer carried out in accordance with the contract, we can withdraw from the contract, and demand our product be returned, without our other rights being affected.

12.8 The Buyer affirms that he has not otherwise disposed of the above-mentioned rights, which were transferred to us.

13. Court of Jurisdiction, Applicable Law

13.1 For all legal disputes arising out of any contract with us, Lüneburg, the place where our registration court is located, shall be the court of jurisdiction, if the Buyer is a merchant, a legal entity or an incorporated society, or a a legal entity under public law or a special asset of public law. Apart from this, the courts of jurisdiction of the German Civil Procedure Code (ZPO) are applicable.

13.2. The laws of the Federal Republic of Germany shall be binding. The rules governing the international trade of goods as well as the rules of payment with the United Nations (Vienna, 11.04.1980), shall however not be applicable.

14. Protection of Privacy

14.1 The Buyer acknowledges, that data which becomes known to us during the course of the contractual relationship is used only and for the purpose of the contractual law in accordance with § 28 of the Federal Law concerning the Protection of Privacy (Bundeszugschutzgesetz).

Lüneburg, January 2006

Magnesia GmbH

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