

Standard Terms and Conditions for the Sale and Export of Goods

In the following TROIKA Germany GmbH shall be referred to as "TROIKA" and the party buying or being in pre-contractual contact to TROIKA regarding a purchase from TROIKA shall be referred to as "THE BUYER"

1. Area of Operation:

These Standard Terms and Conditions rule for all quotations, sales confirmations and the sales. They shall exclusively apply to sales men and other enterprises, legal persons of public right and public legal properties; they apply to other persons as far as legal regulations permit. Any conditional or different terms proposed by THE BUYER are objected to and will not be binding upon TROIKA unless assented in writing by TROIKA.

2. Offers, Orders and Specifications of goods, Export

2.1 All offers are without obligation, subject to availability of stock and material as well as cover note by TROIKA's credit insurance. Catalogues and any other sales documents and presentations by TROIKA even in electronic form - simply apply as request for submitting an offer.

2.2 No order submitted by THE BUYER shall be deemed to be accepted by TROIKA unless confirmed in writing by TROIKA within 30 days or shortly after submittal performed in accordance with its terms. In this case the invoice will apply as acknowledgement of order.

2.3 Any oral statements or promises beyond the written contract or sales confirmation, given by sales persons or TROIKA agents are only ruling when confirmed by TROIKA in writing. This does not apply for statements, made by persons who are fully authorized representatives of TROIKA.

2.4 The quantity, quality and description of and any specification for the goods shall be those set out in TROIKA's quotation if accepted by THE BUYER or according to the actual catalog of TROIKA in connection with the order confirmation by TROIKA for any order placed by THE BUYER. Any quotations and price lists shall be strictly confidential for THE BUYER and must not be made available to third parties without prior approval by TROIKA.

2.5 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other documents of information issued by TROIKA shall be subject to correction without arising any claims for THE BUYER.

2.6 TROIKA reserves the right to make any changes in the specification of the goods which are required to conform with any applicable statutory requirements and/or which do not materially affect their quality, function or performance. Such variations do not justify any claims or titles for THE BUYER.

2.7 Samples and specimen count as approximate proof of the quality, measurements, weight and color.

2.8 Variations in natural products and goods such as scars on leather, colour-deviations up to +/- 10% and Passer-differences up to 0.1 mm in the case of printings, as well as for colors and contour-shapes of engravings, which may vary depending on material and finishing are intended and accepted by THE BUYER and do not justify any claims or titles for THE BUYER.

2.9 A further export of the submitted goods is subject to the supplier's particular authorization. This does not apply for further sales within the European Community and the countries of the EWR-agreement.

3. Cancellation and Taking back of goods

Cancellation of a contract effectively come about possibly in connection with the taking back of goods already supplied requires the explicit agreement between TROIKA and THE BUYER. Where goods are specially produced or provided for THE BUYER a cancellation of the contract or taking back of goods, free of faults and defects is generally excluded.

4. Price of the Goods, Terms of Payment, Delay

4.1 The price of the goods shall be TROIKA's quoted price or, where no price has been quoted, the price listed in TROIKA's published price list valid at the date of acceptance of the order. All prices indicated in any sales documents are without obligation, plus legally required sales tax and packing on the basis ex works, Incoterms 2000 as long as not differently stipulated in writing.

4.2 TROIKA reserves the right in case more than 2 months period have passed between signing of the contract and the time of delivery, by giving notice to THE BUYER at any time before delivery, to increase the price of the goods to reflect any increase in the cost to TROIKA which is due to any factor beyond the control of TROIKA such as foreign exchange fluctuation, currency regulation, alteration of duties, increase of more than 10% in the costs of materials or other costs of manufacture.

4.3 Except otherwise agreed THE BUYER has to effect payment of the total sum within 21 days upon date of invoice and in such case will be considered as fulfilment without monition. In case of payment within 8 days TROIKA will grant a discount of 2 %. In the case TROIKA will be aware of facts which indicate according to dutifull commercial estimation a substantial financial or credit set back in particular default at other suppliers, TROIKA will be entitled to ask for payment in advance or for securities and in case of refusal to withdraw from the contract whereas payments for already effected partial works will be due at once.

4.4 Payment shall be effected by bank transaction only; no cheque or bill of exchange or other payment will be considered as fulfilment of the payment obligation unless TROIKA has received the payment amount to its irrevocable disposal. Discount expenses are to be born by THE BUYER.

4.5 It may be agreed between the parties that THE BUYER has to deliver a letter of credit issued by his bank (or any bank acceptable to TROIKA). In this individual case it is assumed that any letter of credit will be issued in accordance with the Uniform Customs and Practise for Documentary Credits, 1993 Revision, ICC Publication No. 500. All expenses in connection with the letter of credit are to be born by THE BUYER:

4.6 If THE BUYER fails to make any payment on the due date then all other claims will be due for payment at once without prejudice to any other right or remedy available to TROIKA. TROIKA shall at its discretion be entitled to:

- Cancel the contract or to withdraw from it, to claim for compensation because of non-fulfilment and/or suspend any further deliveries to THE BUYER or ask for prepayment or

- Charge THE BUYER interest on the amount unpaid, at the legal rate (Basic interest puls 8%) from then being valid, until payment in full is made and to stop any further deliveries to THE BUYER. THE BUYER shall be entitled to prove that the delay of payment caused no or minor damage only.

4.7 If THE BUYER fails to make any payment on the due date or does not cash a bill when due, the seller is entitled to withdraw the goods. Already today THE BUYER agrees that the seller possibly enter his premises in order to take back the goods. The seller can also prohibit any further selling and removing the goods. Taking back the goods is no withdrawal from the contract. On the other hand, in case the goods had been delivered within an individual contract outside a business connection, the seller agrees to resign first from the contract. However, THE BUYER can avert these consequences by giving a surety in the amount of the claim endangered.

4.8 Any deduction of cash discount is excluded if THE BUYER fails to make any payment on the due date to TROIKA.

4.9 It is regarded as explicitly agreed between THE BUYER and TROIKA; that in the event of default of payment, THE BUYER has to bear and/or reimburse TROIKA for all cost incurred to enforce TROIKA'S claims, titles and accounts receivable against THE BUYER, equal if judicially or not.

4.10 THE BUYER may only offset against undisputed or judicially assessed claims. Performance refusals and retention rights of THE BUYER are excluded as far as these are based on different contract, especially on different purchase contract or if they are not based on undisputed or judicially assessed claims or go back to a gross default on TROIKA's side. In the event of minor shortcomings in comparison with the price, the refusal to pay the purchase price is excluded.

5. Delivery

5.1 Deliveries are generally made ex works(Incoterms 2000), TROIKA headquarters.

5.2 Where delivery of low-priced goods is to be made by TROIKA in bulk, TROIKA reserves the right to deliver up to 3% more or less than the quantity ordered without any adjustment in the price, and the quantity so delivered shall be deemed to be in the quantity ordered.

5.3 Where goods are specially produced for THE BUYER or to be further processed, which is deemed to be the case if the item is not in the current catalog of TROIKA or if alterations to such catalog items are made on demand of THE BUYER, TROIKA reserves the right to deliver up to 15% more or 15% less than the quantity ordered with the according adjustment in the price.

5.4 Partial deliveries which are generally allowed without prior notice to THE BUYER, are to be considered as deliveries for itself and can be invoiced separately.

5.5 Unless a written statement explicitly called as binding, given by sales persons or TROIKA agents or an oral promise made by persons who are fully authorized representatives of TROIKA delivery dates and dead lines are considered as agreed approximately and do not represent a promise and are considered as kept as long as no delays of more than 14 days will arise.

5.6 An appropriate extension of delivery date is granted– even within a contract –in the event of acts of God, strikes, lockouts, intrusions of national and international authorities as well as all unforeseen impediments happened after signing the contract which TROIKA is not responsible for as far as such impediments influence considerably the delay. The same goes if these circumstances occur at TROIKA's suppliers or their sub-suppliers. The regulations regarding such circumstances are valid for THE BUYER correspondingly. Will it become unacceptable for one of the parties to carry out the contract due to such circumstances, it is then entitled to withdraw from the contract after notification of at least one week ahead. Claims for compensation are excluded in such cases.

5.7 If goods are delivered by a freight forwarder in any way damaged condition or if any goods are missing, THE BUYER must obtain a protocol or report on the damage or loss from the freight forwarder immediately without delay. THE BUYER has to accept confirmations to freight forwarders concerning complete and undamaged delivery as speaking against himself.

6. Shipment, Transfer of Risk

6.1 The way of shipment as well as packaging is up to TROIKA.

6.2 Risk of damage or loss of the goods shall pass to THE BUYER as follows:

- In the case of shipment from the place of TROIKA's premises (ex works, Incoterms 2000) at the time when TROIKA notifies THE BUYER that the goods are available for collection.

- In the case of goods to be delivered to a different place, at the time of delivery to the forwarder or when prepared to do so.

- In the case of goods to be delivered by way of exception at TROIKA's risk to a different place than the place of TROIKA's premises, at the time of delivery or if THE BUYER finds himself in a state of emergency at the time when TROIKA has tendered delivery of the goods. In such case TROIKA stores the goods at THE BUYER'S expense and risk.

7. Retention of title

7.1 The property in the goods shall not pass to THE BUYER until TROIKA has received payment in full of the price of the goods and all interest payable on arrear. The same goes also for payments by THE BUYER for specially indicated claims. Adding single claims to an actual invoice or recognizing a remainder does not void the right of property. Goods to which TROIKA is also entitled will be called in the following reservation goods.

7.2 Until TROIKA has received payment in full TROIKA shall have absolute authority in case THE BUYER defaults in payment to retake, sell or otherwise deal with or dispose of all or any part of the reservation goods.

7.3 THE BUYER has to keep in trust and store free of charge the reservation goods for TROIKA separately from his own property and that of third parties duly, securely, insured and marked as TROIKA'S property.

7.4 In the case reservation goods together with goods on which TROIKA has no property are processed or otherwise combined or mixed TROIKA is entitled to co-property on the new good in proportion of the value of reservation goods to the value of the other good and the value of processing. In the case the TROIKA's property becomes void through combination, mixture and processing THE BUYER transfers to TROIKA the property rights on the new good already when signing the contract to the extent of the invoice value of the reservation goods. Regarding partial and co-property rights rule again the rights for reservation goods.

7.5 THE BUYER is entitled to use further sell the reservation goods within the regular course of business as long as he is not in default. Bailments and mortgages are unlawful.

7.6 Already at that moment THE BUYER assigns all claims arising from the use or the sale including possible insurance and compensations disbursements and all credit balances from current account to TROIKA that accepts these assignments

7.7 THE BUYER is not entitled to a second assignment of any claims. Assigning by way of true factoring is only permitted if TROIKA is informed of the name of the factoring bank as well as the accounts that are held by THE BUYER and if the factoring proceeds exceed the value of the secured claims by TROIKA. With a credit note issued by the factoring bank, any claims by TROIKA are payable at once.

7.8 TROIKA authorises until withdrawn THE BUYER to collect the ceded claims or performances in his own name and account. This authorization can only be withdrawn if THE BUYER does not duly fulfil his obligations. THE BUYER is pledged on TROIKA's demand to inform his clients at once of the assignment to TROIKA – as long as TROIKA does not do it himself – and to forward all details and documents required for collection. 7.9 THE BUYER has to keep fiduciary and free of charge for TROIKA any payment or any other object received because of the authorisation for collecting, apart from his own property and that of thirds. It serves to the same extent as the reservation goods as securities for TROIKA.

7.10 In the case of payment by check the property of the same is transferred to the seller as soon as it is acquired by THE BUYER. If payment is effected by bill of exchange, THE BUYER transfers in advance to TROIKA all rights arising with it and TROIKA accepts it. The delivery of the documents is replaced by THE BUYER's keeping them for TROIKA or in case he does not acquire the immediate possession on them, he concedes in advance his claims against thirds to TROIKA; he forwards these endorsed documents to TROIKA at once.

7.11 In the event of seizures or other encroachments by thirds of the co-possession of TROIKA, THE BUYER has to refer to TROIKA's property and to notify TROIKA at once to give TROIKA a chance to assert their rights. As far as the third is not able to reimburse TROIKA all judicial and non-judicial expenses arising in this context THE BUYER is liable for it. In the case of non compliance with the obligation to refer or notify THE BUYER is liable for all damages deriving to TROIKA in this regard.

7.12 Taking back or seizing the reservation goods by TROIKA is no withdrawal from the contract.

7.13 Upon demand by THE BUYER TROIKA undertakes to release the securities to which it is entitled to if the liquidatable value of the securities exceeds the claims to which TROIKA is entitled to by more than 20%. Only TROIKA chooses the securities to be released.

8. Warranties and exclusion clauses

For faults of sold goods according to § 434 of the German Civil code TROIKA guarantees and warrants under the following conditions:

- THE BUYER shall examine the goods as required by German law (§§ 377 following of the German Commercial code) and in doing so check every delivery in any respect and make any according complaints in written form to TROIKA within 7 days in general but in any case before selling and further processing.

Further obligations acc. to § 377 German Commercial Code stay untouched.

- Any claim by THE BUYER based on any defect in quality or condition of the goods or their failure to correspond with specification does not authorize THE BUYER to dispose over the goods without TROIKA's approval if mayor damage threatens to happen.

- Upon request THE BUYER is obligated to place the complained about goods or specimen of it to TROIKA's disposal. In the case of constructive refusal the warranty is cancelled. Goods or parts of it that have been compensated for become TROIKA's property.

- TROIKA is not liable unless declared in writing that the goods are suitable for a certain purpose.

- This warranty does not cover defects or damages which are due to THE BUYER's description, specification, design or construction documents unless its deficiency could have been made out by TROIKA without further examination. It does not extend to faults or damages of parts, materials or any other equipment placed at disposal by THE BUYER or manufactured by thirds on their behalf.

- TROIKA shall not be liable in respect of defects arising from fault installation, utilisation or improper use or similar actions by THE BUYER or by thirds instructed by him.

- In the case of justified complaints the seller is entitled depending on the fault and on justified interests by THE BUYER to determine the way of repair (replacement, repair). Only if the repair through TROIKA goes wrong or shall be refused, THE BUYER shall be entitled to claim for a reduction of price or a cancellation from the contract.

- THE BUYER has to notify at once TROIKA of a case of warranty on consumer's side.

- Claims of quality defects come under the statute of limitations after 12 months.

This does not apply if the law acc. §§ 438 paragraph 1 no.2, § 479, paragraph 1 and § 634 paragraph 1 no. 2 German Civic Code prescribes longer periods.

- Claims for recourse acc. §§ 478, 479 German Civic Code only exist as long as the claim was proved lawful and only to the legal extend. They don't exist for any fair dealings not being agreed with THE BUYER. Incidentally, they require own duties by the party entitled, especially regarding the duty to complain.

- For claims for indemnity rule the general limitations for liability as described under 9.

9. General Exclusions

9.1 Claims for recourse and indemnity of THE BUYER (in the following called claims for recourse) deriving from no matter what right especially for violating any duties of contractual obligations and an illegal action are excluded. This does not apply in cases of warranty or when there is a risk of procurement. It does also not apply as far as a liability is compellent e.g based on the right of product liability, in cases of gross negligence, when violating life, body or health or essential contractual obligations. However claims for recourse when violating essential contractual obligations are limited to the contractual typically foreseeable damage as long there is no liability because of gross negligence, violation of body or health. A change of the burden of proof to the disadvantage of THE BUYER is not connected herewith.

9.2 This regulation also applies correspondingly to THE BUYER.

10. Data Protection

THE BUYER is herewith informed that TROIKA will make use of the personal data achieved within its business activities in accordance with the regulations of the data protection act.

11. Protection Rights

11.1 Samples or drawings produced by thirds on the basis of TROIKA design may not made accessible under no circumstances to thirds, especially not to competitors. In case of ignoring this duty THE BUYER is liable for all disadvantages deriving to TROIKA by the utilization of the samples by non legitimate persons.

11.2 THE BUYER is liable for any violations of foreign protection rights for any objects that have been produced and delivered by TROIKA on the basis of his data. He undertakes to exempt TROIKA of claims for recourse by thirds at once in case of a violation of protection rights of thirds and compensate TROIKA for further damages deriving from the legal pursuit towards thirds or within the settlement of such legal arguments especially due to necessary or appropriate expenditures.

11.3 The articles produced by TROIKA are made for commercial use. In case THE BUYER has a legal right on its secrecy of the articles made for him, TROIKA only

agrees to such a liability if such an agreement is made when signing the contract at the latest.

12 Tools

Tools for special designs produced by TROIKA or on his behalf by thirds are TROIKA's property because of the construction and for internal purposes even if THE BUYER bears (proportionally) the costs for its production or if it is used exclusively on the basis of exclusive agreements for orders placed by THE BUYER. The tools are stored voluntarily for 2 years at the most, also those tools which are THE BUYER's property; there is a duty to care for just to the same extend as for his own matters. In the case of non payment for the delivered goods TROIKA has the lien on THE BUYER's tools.

13 Miscellaneous clauses, Choice of Law; Place of Jurisdiction

This agreement shall be governed and construed in accordance with German law excluding UN law and that also when delivery is made directly from one of TROIKA's foreign suppliers. Place of fulfillment and exclusive jurisdiction for all quarrels (including checks or bills of exchange suits) is TROIKA's headquarters and TROIKA shall have the right to bring a claim before a court at THE BUYER's principal place of business or at his discretion before any other court being competent according to any national or international law. In case of the transfer of any title or claim to a third party, the cessionary shall also have the right to chose the place of jurisdiction accordingly