

GENERAL TERMS AND CONDITIONS

§1

All agreements and offers are based on our Terms and Conditions, which are deemed to be accepted following the placement of an order or the acceptance of the delivery. Divergent terms of the Buyer, unless expressly acknowledged in writing on our behalf, are not binding for us even if we do not expressly object to them.

§2

Offers are subject to a written confirmation of order. Orders that are performed on the grounds of one of our written offers, are deemed accepted following a six week period, unless we object within this stated period.

Prices that have been confirmed are subject to the reservation of increases in the price of material or labour cost until delivery, unless a fixed price has been expressly agreed upon. All prices are subject to value added tax.

§3

Orders for which no fixed prices have been expressly agreed will be invoiced at the list price applicable on the day of the delivery. The cost of packaging, lending and wear fees for packaging material as well as the cost of any return of packaging material is for the account of the Customer.

Unless expressly agreed differently, payments must be effected within ten days following receipt of the invoice. A discount is only granted on the grounds of an express written agreement. The Contractor is not obliged to accept bills of exchange or cheques as payment. If accepted, such acceptance is on account of performance only. Any cost of collection and discount as well as stamp duties on bills of exchange are for the Customer. These costs as well as the invoice total are to be paid to the Contractor. The Contractor does not accept any responsibility for the premature presentation, protesting, notification and return of a bill if a bill of exchange is not honoured.

If the term of payment is exceeded, interest in the amount of 2% above the Bundesbank's discount rate is due. The enforcement of further damages caused by default is reserved.

If payments by instalment have been agreed to and if the Customer is in default of more than one such payment, the entire residual total is due with immediate effect. The Customer may not offset against counter claims that have not been recognised by the Contractor, nor may the Customer enforce the right of retention for such claims.

§4

Production and delivery dates that have been agreed are not binding unless the written confirmation of order expressly states otherwise. The period of delivery commences on the day of forwarding the confirmation of order and is considered fulfilled if by the end of the delivery period the products have left the factory/the warehouse or, once ready for dispatch, such readiness for dispatch has been indicated.

The period of delivery extends accordingly in the event of unforeseen hindrances which the Contractor was not able to avert, in spite of applying the most tolerable degree of care according to the respective circumstances of the case – irrespective of whether such circumstances occur at the manufacturer's factory or at the Contractor's sub-suppliers – e.g. interruption of operations, official intervention, industrial action, delays in the delivery of required source materials. The Contractor shall immediately inform the Buyer of such hindrances. In the case of any late amendments to the agreement which may influence the term of delivery, the term of delivery shall extend accordingly unless specific agreements have been made regarding this matter.

If the Supplier exceeds the agreed term of delivery, then the Customer has the right, by way of registered mail, to stipulate an additional four-week respite, and upon expiration of such respite is entitled to rescind the contract. The Customer is not entitled to enforce any further claims resulting from a delay in delivery. The Customer is in particular not entitled to any claims for damages regardless of their legal grounds.

If the goods are forwarded to the Customer upon the Customer's request, the risk of accidental loss and accidental worsening of the goods passes to the Customer upon delivery of the goods to the supplier's agent authorised to perform the delivery, yet no later than upon leaving the factory or the warehouse, regardless as to whether the dispatch is effected from the place of fulfilment, or who bears the cost of freight.

The consignment, unless agreed differently, is shipped as freight for the account of the Customer.

If the goods are ready for dispatch and if such dispatch is delayed or the acceptance is delayed due to reasons for which the Contractor can not be held liable, then the risk passes upon receipt of the notification of readiness for dispatch to the Customer.

§5

The Contractor warrants only within the framework of the subsequent terms and exclusively for the Contractor's very own performance.

The grade and quality of the goods depend exclusively on the agreed technical delivery specifications. Furthermore decisive for grade and quality as per agreement

of the goods is the moment of the passing of the risk. If the Contractor supplies the goods on the grounds of drawings, specifications, samples, etc. of the Client, the latter shall assume the risk of suitability for the intended purpose of application.

Third-party deliveries are subject to the terms of delivery and payment of the stated supplying companies. For lack of other agreements, the calculation of the third-party delivery is to be carried out with the named supplying companies. If permissions or agreements with third parties (e.g. utilities companies, TÜV, building authorities) are required for the use of the supplied goods, the timely procurement and the timely conclusion of such necessary agreements are exclusively a matter of the Customer.

The warranty is limited to five years for the material of vessels and enameling as well as two years for further parts, except for electrical heater and thermostats. For these components, a six-month warranty is agreed. The Contractor is to be given the opportunity to ascertain the indicated defect. Any goods whose quality has been objected to are to be returned to the Contractor immediately upon request. In this case the cost of transport shall be assumed by the Contractor if it turns out that the notice of defect was justified. Modifications to the queried product performed by the Customer without the approval of the Contractor entail that the Customer loses any possible claims for defects as to quality. Within the above deadlines the Contractor, in the event of defects, shall have the additional right to supplementary performance, at the discretion of the Contractor either by way of remedying the defect or subsequent delivery. If and only once the supplementary performance has failed shall the Contractor accept the return of the supplied items and reimburse the purchase price, taking into account a compensation for use in the amount of 10% of the purchase price per annum.

Insofar as the following does not stipulate otherwise, other and further claims of the Customer against the Contractor are excluded. This applies in particular to claims for the violation of duties resulting from the obligation and from tort. Any liability for damage not inflicted upon the actually supplied goods is excluded. Liability for the Customer's loss of profit or other financial loss of the Customer is equally excluded. Customer claims based on a notification of defect, especially transport, way, labour and material costs, are excluded if these expenses increase because the item from the original delivery was belatedly taken to a location other than the originally agreed place of application/delivery. For property damage caused by a material defect in cases of slight negligence a limited liability up to the amount of the order value is agreed. Here, too, liability is initially limited to calculable damages as per standard terms of contract.

The above limitations of liability further do not apply to cases in which, according to the product liability act, a liability for privately used items applies for personal injury or damage to property. Neither do they apply in the case of injury to life, limb or health and if the promised conditions are missing, if and to the extent that such warranty served the purpose of safeguarding the partner against damage inflicted not to the actually supplied goods per se.

The above exemption of liability/limitation also applies to the personal liability of employees, workers, co-workers, statutory representatives as well as vicarious agents of the Contractor. This does not affect the statutory regulations pertaining to onus of proof.

§6

All deliveries are effected subject to a reservation of title. The supplied goods remain the property of the Contractor until complete payment of the price and until all other demands of the Contractor against the Customer resulting from the current business connection (in the case of payment by cheque or bill of exchange, until their redemption) have been met. The Customer is entitled to resell the goods subject to a reservation of title during a regular course of business provided that this has been agreed to in writing. However, the Customer is not entitled to pledge or transfer these goods by way of security. The Customer is obliged to secure the rights of the Contractor when reselling reserved goods against credit.

Claims of the Customer resulting from the resale of goods subject to a reservation of title are hereby assigned by the Customer to the Contractor.

The Contractor assumes such assignment. Irrespective of such assignment and the Contractor's right of retention the Customer is entitled to the retention for as long as the Customer fulfils his obligations towards the Contractor and does not suffer a deterioration of assets. Upon the Contractor's request, the Customer shall provide to the Contractor the information necessary to collect any assigned claims and shall inform the debtors of such assignment.

§7

The contract and the General Terms and Conditions remain in effect even if individual provisions become invalid.

All subsidiary agreements and contract extensions become effective only when stipulated in writing. The place of fulfilment and the legal domicile for contracts concluded with fully-qualified traders is Rheine. Moreover, the courts of Rheine shall have jurisdiction for orders for payment procedures. This also applies to all obligations resulting from bills of exchange and cheques.

Our German General Terms and Conditions constitute the decisive version. The English translation is provided for general information purposes only.