4. If we do not meet the delivery date, the purchaser is entitled and obliged to inform us in writing of our delivery shortcomings. If a concealed fault is revealed later on, the purchaser shall submit a written complaint immediately after discovery. If the purchaser fails to fulfill this obligation, we are entitled to take the faulty goods back and replace them with contractual goods, or to repair the delivered goods, at our own choice.

4.1 General, scope

1. Our following terms and conditions have exclusive validity for all contracts with an entrepreneur. Conditions of the purchaser contradicting or deviating from our sales terms do not apply, unless we have consented to their validity explicitly in writing.

2. Our sales terms also apply to all future business transactions with the purchaser.

5 Quotation, order documents

1. Our quotations are without obligation; in the event of a purchase order, they become binding with our written order confirmation. Purchase orders that are to be qualified as quotations to conclude a purchase agreement can be accepted by us within a four-week period.

2. The validity of all offers, including drawings, calculations and other documents, which must not be made available to third parties. This applies in particular to written documents marked as "confidential"; the purchaser requires our explicit written consent before these may be forwarded to third parties. We reserve the right to make technical alterations and model deviations, insofar as these correspond to technical progress and are reasonably acceptable for the purchaser.

6 Prices, conditions of payment, set-off

1. Unless stated otherwise in the purchase confirmation, prices apply ex stock - Rheda-Wiedenbrück plus the corresponding statutory value added tax and plus freight and packaging, which shall be invoiced separately.

2. Unless stated otherwise in the agreements, the invoice amount is due immediately; it shall be paid net within 10 days of receiving the invoice. Once this period has expired, the purchaser is in default even without receiving a separate reminder. If the purchaser should be in default of payment, we are entitled to charge default interest amounting to 5% p.a., but at least 8% over the corresponding basic interest rate pursuant to Section 247 German Civil Code. Our right to provide evidence of higher default damage remains unaffected. The purchaser’s other obligations are also entitled to provide evidence that we have suffered less default damage. However, we are entitled to the statutory default interest in any case.

3. If the outstanding bills of exchange are subject to our prior consent. Costs and discount charges are to be paid by the purchaser. In the case of a bill or check protest, we shall then return all current bills or checks. At the same time, all our outstanding receivables shall then be due for payment, the same applies if the purchaser, in our opinion, is in default of financial or other obligations.

4. Unless as far as we are entitled to withdraw from the contract because of breaches of obligations on the part of the purchaser, especially default of payment, the purchaser shall return the unfilled order. If the contract is subject to a delay of more than 14 days, we are entitled to cancel the sales contract in full. In this case, we are entitled to enter the purchaser’s business premises where the conditional goods are stored and recover ownership of the same. The costs for recovery of the goods shall be paid by the purchaser.

5. The purchaser is obliged to treat the purchased goods with all due care and attention, in particular he/she is obliged to provide an adequate replacement value insurance cover for damages caused by fire, water and theft.

6. In the case of seizure or other third-party intervention, the purchaser shall inform us immediately and in writing. In the event of necessary intervention, the purchaser shall carry out the intervention at his/her own expense and risk.

7. In case of default of payment, the purchaser’s warranty claims for faults in the delivered goods are statute-barred after twelve months in cases stipulated in section 438 (1) 3 German Civil Code. The period commences on delivery of the goods.

8. Compensation claims from the purchaser for breach of duty not consisting in the delivery of faulty goods are also statute-barred after twelve months. The period commences in accordance with the statutory provisions.

8.1 Reservation of title

1. We reserve the title to the purchased goods until receipt of all payments from the delivery contract. Furthermore, the title to the purchased goods on complete settlement of all our receivables also from other contracts concluded with the purchaser in the framework of the respective business relationship.

2. Insofar as we are entitled to withdraw from the contract because of breaches of obligations on the part of the purchaser, especially default of payment, the purchaser shall return the unfilled order. If the contract is subject to a delay of two months or more, we are entitled to cancel the sales contract in full. In this case, we are entitled to enter the purchaser’s business premises where the conditional goods are stored and recover ownership of the same. The costs for recovery of the goods shall be paid by the purchaser.

3. The purchaser is obliged to treat the purchased goods with all due care and attention, in particular he/she is obliged to provide an adequate replacement value insurance cover for damages caused by fire, water and theft.

4. In the case of seizure or other third-party intervention, the purchaser shall inform us immediately and in writing. In the event of necessary intervention, the purchaser shall carry out the intervention at his/her own expense and risk.

7. The purchaser’s warranty claims for faults in the delivered goods are statute-barred after twelve months, unless we have consented to their validity explicitly in writing. Our sales terms also have exclusive validity even if we proceed with delivery without reservation, being aware of the purchaser’s deviations from the contract.

8. Compensation claims from the purchaser are limited to typical, foreseeable damage. This does not apply to claims based on willful intent or gross negligence on our part, or on the part of our legal representatives or vicarious agents. Furthermore, the limitation does not apply to liability for damages resulting from injuries to life and limb or to human health, and to cases of mandatory liability resulting from provisions of the product liability law.

9. The purchaser’s warranty claims for faults in the delivered goods are statute-barred after twelve months in cases stipulated in section 438 (1) 3 German Civil Code. The period commences on delivery of the goods.

10. Compensation claims from the purchaser for breach of duty not consisting in the delivery of faulty goods are also statute-barred after twelve months. The period commences in accordance with the statutory provisions.

9.1 Governing law, place of jurisdiction, place of fulfillment

1. These terms and conditions of business and the entire legal relationships between the parties are subject to the laws of the Federal Republic of Germany (particularly the German Civil Code and the German Commercial Code), with the exception of the conflict of laws and the law on conflict of laws of the VOB/B (German Construction Contract Procedures). The period of limitations does not commence until two years after the delivery.

2. Rheda-Wiedenbrück is the sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship. Insofar as the purchaser is a businessman, a legal entity under public law or a special fund under public law.

3. Unless stated otherwise in the order confirmation, the place of fulfillment is our business address.

January 2002