



Purchasing Conditions of Isabelenhütte Heusler GmbH & Co. KG

Status: May 2007

1. Area of application

These purchasing conditions apply exclusively; general terms and conditions of the supplier which conflict or differ from these purchasing conditions will not be recognised by ourselves, unless we have expressly agreed their validity in writing. Our purchasing conditions also apply if we accept or pay for supplies of products and services from the supplier (hereinafter: the subject matter of the contract) in the knowledge that the supplier's conditions conflict or differ from our purchasing conditions. Our purchasing conditions also apply for all future supplies and services from the supplier.

2. Contract Conclusion

Agreements, orders, deals and call-off orders, as well as changes and additions to them, require text form.

If the supplier does not accept the order within two weeks of receipt then we are entitled to recall it. Call-off orders are binding if the supplier does not countermand them within five working days of their receipt.

3. Prices, Payment Terms

If no special agreement has been made then prices are understood as being free into works, duty paid (DDP in acc. with INCOTERMS 2000) including packing, but without VAT.

Insofar as no special agreement has been made invoices will either be settled within 21 days with a 3% discount, or within 90 days without discount from the due date of the payment claim and from receipt of both the invoice and the goods or provision of the service. Payment is made under reservation of the right to check the invoice.

4. Delivery

In individual cases, insofar as nothing has been ruled otherwise, delivery is agreed as "free into works" (DDU or DDP in acc. with INCOTERMS 2000). The

supplier will bear the risks until acceptance of the goods at our premises or at the agreed delivery site.

If the supplier has undertaken to carry out set-up or assembly, and if nothing else has been agreed, then the supplier will bear all the necessary costs for this.

If the agreed deadlines are not adhered to then statutory regulations apply. If the supplier acknowledges that it is or will not be possible for him to make the delivery in compliance with the contract terms, with regard to manufacture, primary material supply, compliance with delivery dates or similar circumstances, then the supplier must inform us immediately.

Unconditional acceptance of the late delivery or service does not involve any waiving of claims we may be entitled to on account of the late delivery or service; this will apply until complete payment of the money due by us.

Part deliveries are not permitted unless we have expressly agreed these with you and they are reasonable for us.

For numbers of parts, weights and dimensions the values ascertained by us during incoming goods inspection are applicable, subject to other proof.

5. Force Majeure

Force majeure, labour disputes, operational disruptions not due to our fault, riots, regulatory actions and other unavoidable events entitle us – without prejudice to our other rights – to withdraw wholly or partly from the contract, insofar as our interests in the contract fulfilment cease as a result of this.

6. Claims for Defects

Acceptance of the goods or service is done under reservation of examination for freedom from defects, in particular for accuracy, completeness and externally recognisable defects, insofar as and so long as this can be done in the normal course of business. Furthermore, the supplier waives objection to the late notification of defects.

The statutory provisions for actual and legal defects apply unreservedly where nothing is subsequently agreed to the contrary.

In urgent cases we have the right, in particular for defence from acute risks or avoidance of greater damage, to supplementary performance which we will undertake ourselves or will have carried out by third parties at the supplier's cost.

Actual and legal defects lapse within the regular period of limitation.

For new deliveries made within the period of limitation or for parts of the delivery restored or repaired, the period of limitation will begin afresh from the time when the supplier has fulfilled our claims for supplementary performance in full.

If we incur costs as a result of the faulty delivery of the contract subject matter, in particular transport, haulage, labour, material costs or costs for checking on receipt which exceed the normal range, then the supplier must bear these costs.

If we take back goods produced and/or sold as a result of the defect of the contract subject matter supplied by the supplier, or if on account of this our sales price had to be reduced or if claims of other kinds were made against us, then we reserve the right to recourse against the supplier whereby no deadline is required to be set in respect of our defect rights.

We are entitled to request compensation by the supplier of expenditure which we have borne in respect of our customers, because they have claimed compensation from us for expenses incurred for the purpose of supplementary performance, in particular transport, haulage, labour and material costs.

Regardless of the provisions of section 4, in the cases in sections 7 and 8 the period will lapse at the earliest two months after the date by which we have fulfilled claims against us from our customers, but at the latest five years after handover by the supplier.

If a material fault appears within six months of the transfer of risk, then it will be assumed that the defect was already present at the time of transfer of risk, unless this assumption is incompatible with the type of goods or the defect.

7. Product Liability

In the event that a claim is instituted against us for reasons of product liability the supplier is obliged to release us from this type of claim insofar as and inasmuch as the damage has been caused by a fault in the contract subject matter supplied by the supplier and – in cases of fault-dependent liability – if the supplier is at fault. Insofar as the cause of damage comes under the supplier's responsibility then the onus is upon him. In these cases the supplier will accept all costs and expenses, including costs of a possible prosecution or product re-call. Statutory provisions apply in addition.

8. Non-disclosure

All business or technical information made accessible by us must, as long as it is not obviously publicly known, be kept confidential from third parties. This information remains our exclusive property. Without our prior written agreement such information – except for supplies to us – may not be reproduced or used commercially. On request the supplier must hand back or destroy all information originating from us (including any copies or drawings made, if applicable), and any items loaned by us, immediately and in full. We reserve all rights to such information.

Subject matter of the contract which was prepared from our documents, such as drawings, models, formulas or similar items may neither be used by the supplier himself nor be made accessible to third parties.

9. Choice of Jurisdiction, Place of Jurisdiction

German law will apply exclusively for contractual relationships, under exclusion of the CISG (UN Convention on Contracts for the International Sale of Goods).

The place of jurisdiction and place of fulfilment is Dillenburg. We are entitled to bring an action against the supplier to the court local to his registered office if we choose to.

Should any provision of these conditions and any additional agreements made be or become invalid, then the validity of the remaining conditions will not be affected through this. The contract partners are obliged to replace the invalid provision by a regulation which comes as close as possible to providing the intended commercial success.

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