

General Terms and Conditions of Delivery and Payment

Issue: July 2004

1 Conclusion of Contract

1.1 Our deliveries are subject to the following conditions.

Any departures from the present terms, particularly customer's terms and conditions of purchase, shall require our express written acceptance.

1.2 Our quotations are without engagement. Orders shall only be binding for us insofar as confirmed by us or effectively fulfilled by delivery of goods. Verbal agreements shall only apply if confirmed by us in writing.

2 Prices

2.1 Our prices apply ex works, without spools, packaging and VAT (Value Added Tax).

2.2 Packaging and disposable spools are charged at cost price and cannot be returned.

3 Deliveries

3.1 Delivery dates as disclosed by us cannot be considered definite for production reasons and shall only act as an approximate time indicator for the delivery. The conclusion of the contract shall be subject to the reservation that we receive the correct supplies on time from our subcontractors.

If the performance time is not determined specifically, delivery shall be effected at the earliest convenience.

3.2 Cases of force majeure, which shall be deemed as any and all circumstances and events that cannot be prevented by prudent management, shall discharge the contracting parties from their contractual obligations to perform for the duration of the disturbance and to the extent of the effects caused thereby. If the delays arising therefrom continue for a period of more than six weeks, both parties shall have the right to withdraw from the contract regarded the said obligations. All other claims shall be excluded.

4 Dispatch / Passage of Risk

4.1 Loading and dispatch shall be uninsured at consignee's risk.

4.2 Customer's requests concerning the manner and way of shipment shall be considered as far as possible. Any additional costs thus incurred, even when freight prepaid has been agreed upon, shall be at buyer's expense.

5 Surplus and Short Deliveries

Deviations in the weight, piece numbers and dimensions of upto 5 % shall be permitted for deliveries, which shall apply both to the total quantity as well as to individual part shipments.

6 Warranty

6.1 All information regarding the suitability, workability and applicability of our products, all technical advice and other information are provided to the best of our knowledge and belief, but shall not discharge the buyer from his own examinations and tests.

6.2 Buyer shall examine the received goods immediately on receipt (which shall also occur by test processing to the extent that this can reasonably be expected) for any defects concerning the quality and the suitability for the intended purpose. Otherwise, the goods shall be deemed as having been accepted.

6.3 The customer's rights in case of defects in the article are based on the assumption that the customer has properly and duly fulfilled his inspection and complaints obligation in accordance with Section 377 of the German Commercial Code.

The term of limitation for claims relating to defects shall be one year from the date of transfer of risk.

6.4 Insofar as any defect shall be found to exist in the purchased article, we shall be entitled to fulfil our obligations by either eliminating the defect or by delivering a new, faultless article to the customer, according to our own choice. Should we decide to eliminate the defect, we agree to bear costs only up to the amount of the purchase price. Should we fail to fulfil our obligations in either of the above ways, the customer shall be entitled either to withdraw from the contract or to demand a reduction in the price of the article, according to his own choice.

6.5 We accept liability in accordance with legal stipulations, insofar as the Purchaser shall assert a valid claim for damages arising through wilful or gross negligence on our part, or through the wilful or gross negligence of our representatives or of persons employed by us in the performance of our obligations. Insofar as we are not accused of wilful violation of the contract, our liability for damages shall be limited to foreseeable, typical instances of damage. We will accept liability in accordance with the legal stipulations provided we are guilty of violating any fundamental contractual obligation; however, in this case our liability for damages shall be limited to foreseeable, typical instances of damage.

6.6 Liability for culpable injury to life, body or health shall remain unaffected by this contract; this shall also apply to compulsory liability in accordance with the German Product Liability Law.

6.7 Insofar as no other agreement differing from the above has been reached, liability shall be precluded.

7 Retention of Title

7.1 Seller retains title to all goods until full payment has been effected for all of seller's claims against buyer resulting from their mutual commercial dealings. Buyer is entitled to dispose of the purchased goods within the regular course of business. The purchaser shall not be entitled to resell the goods if buyer fails to observe the contractual obligations towards seller. As collateral, buyer assigns to seller already at this time all claims against third parties from the re-sale.

7.2 In the event of processing the goods subject to the retention of title, the new product thus produced by the joining or processing shall take the place of the goods subject to the retention of title.

7.3 The taking back of the goods on the grounds of reservation of title will not automatically mean withdrawal from the contract.

8 Terms of payment

8.1 Invoices shall be due for payment 30 days after date of invoice strictly net without any deductions.

8.2 Undisputed or legally valid claims shall entitle the Purchaser to offset or withhold payments.

9 Place of Performance, Applicable Law, Binding Force of Contracts

9.1 Place of performance and jurisdiction shall be 35683 Dillenburg.

9.2 If the Purchaser is an independent businessman (i.e. a businessman to whom the provisions of the German Commercial Code apply without restriction), any disputes arising from this contract will be settled before a competent court of law at 35683 Dillenburg.

9.3 The contract shall be governed by German law.

9.4 If any provision of the contract should prove to be void, the other provisions thereof shall remain in effect.



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