

General Terms and Conditions of Business (dated 06/2003)

§1 Applicability, invalidity of other terms of business

1. All quotations, goods and services supplied by our Company are based on these Terms and Conditions of Business. These will also apply, without any expressly renewed notification, to future quotations, goods and services supplied to the buyer, in so far as he is a body corporate, a separate estate or business employer under public law and is exercising his commercial or independent professional activity in concluding the contract.

2. In principle, our terms and conditions will apply exclusively. The validity of any other or additional terms or conditions of business issued by the buyer is expressly countermanded.

§2 Concluding a contract, delivery specification, prohibition of transfers

1. Unless otherwise agreed, our quotations are prepared free of charge and without obligation. Unless otherwise agreed, the supply contract will become effective as a result of our accepting the customer's order or starting work on executing the order.

2. In the event we confirm an order in writing, the content of the order confirmation note shall be authoritative regarding the scope and the content of the contractual relationship and the delivery. Unless otherwise agreed to, the information contained in our offers shall be authoritative regarding the purpose of use.

3. The documentation on which the offer is based, such as drawings, illustrations, specifications, weights and measurements, shall form part of the contract only if such documentation is expressly stated to be part of our offers. We reserve the right to make changes, provided that such changes are not fundamental changes and that the purpose of the delivered goods, as stipulated under the contract, is not restricted in a manner unacceptable to the buyer.

4. The buyer will not be entitled to assign or transfer to a third party any debts or rights to which we are entitled, arising out of the business relationship, without our consent. The same applies to any debts or rights to which we are entitled by the direct operation of the law.

§3 Prices, payments, setting-off and rights of retention

1. The specified prices are for goods ex-works Munster and are net prices subject to statutory Value Added Tax at the applicable rate (even if this is not shown separately) plus the costs of packing, transport, installation, postage, insurance, customs duties, any bank or payment charges arising and other secondary costs.

2. Our invoices are, unless agreed otherwise, payable within 10 days of the date of invoice less 2% discount or within 30 days of the date of invoice without discount, payments in each case to be received at the point of payment specified by us within the designated period. If the buyer fails in arrears in making a payment by the due date, the aforesaid periods of grace will no longer apply and the invoiced amount will be due for payment immediately and in full.

3. In case of payment in arrears, even in connection with other contractual relationships between the buyer and ourselves, we are entitled to make further deliveries contingent on the full and complete elimination of such arrears.

4. Unless agreed upon otherwise, we shall be entitled to make reasonable adjustments to the price agreed upon in the contract in the event of increases in salaries or wages or increases in the prices for raw materials or operating supplies. Such right shall extend towards non-merchants only for such orders which shall be executed no sooner than four months following the conclusion of the contract as well as for deliveries and services as part of continuous obligations.

5. In addition, we shall be entitled to deny performance if, after concluding the contract, we become aware of such circumstances which may lead us to believe that we will not receive full or timely consideration from the buyer, unless the buyer executes the consideration or supplies sufficient security. In particular, this shall apply if, after the contract has been concluded, our credit insurance company declines to insure the payment of the purchase price for the goods or services supplied (on the grounds of the creditworthiness of the buyer, or if we are made aware of any attachment measures and/or protests relating to the checks or bills of exchange being made against the buyer.

6. If, in concluding the contract, the buyer is a merchant pursuant to HGB (German Code of Commercial Law), and if the contract forms part of its commercial enterprise, we shall be entitled to charge interest after due date in the amount of 5% above the respective base interest rate, without being required to send a reminder first.

7. Setting-off on the basis of disputed, legally unconfirmed or undecided counterclaims by the buyer is excluded. If, in concluding the contract, the buyer is exercising his commercial or independent professional activity, his complaints shall affect neither his obligation to pay nor the due date of payment, and the buyer hereby waives its right to refuse performance or right of retention, unless we or our legal representatives or vicarious agents have committed gross breach of contract or unless the counterclaims of the buyer, on which the right to refuse performance and right of retention are based, are uncontested, recognised by declaratory judgment or ready for decision.

8. The buyer shall be deemed to be in default no later than 30 days following the due date, unless there are grounds that result in earlier default (e.g. reminder letter or payment term based on the calendar). From the commencement of default, our claim shall be subject to an annual interest rate of 5 percentage points above the base interest rate. If the buyer is a public law entity, a special fund under public law or an Entrepreneur who, at the time of conclusion of the contract, is independently engaged in a business or trade, our claim, from the commencement of default, shall be subject to an annual interest rate of 8 percentage points above the base interest rate.

9. The minimum net order value shall be EUR 100 or EUR 250 in the case of goods manufactured specifically for a particular customer.

10. Checks and bills of exchange will only be accepted with a view to performance and subject to special agreement. Interest and costs incurred will be charged to the buyer.

§4 Delivery periods, part deliveries, variations in quantities

1. The agreed delivery period will essentially commence with the concluding of the contract but in any case not before any documents to be supplied by the buyer or agreed advance payments have been received in full. The delivery date shall be deemed to have been met if, by the time the delivery period expires, the goods have left our factory or the buyer has been notified of their readiness for dispatch (which would have taken place but for reasons attributable to the buyer).

2. The delivery period shall be reasonably extended in cases of force majeure and in the event of exceptional unforeseen occurrences such as riots, strikes, lock-outs, fire, sequestrations, embargoes, statutory or locally imposed restrictions on energy consumption or incorrect and/or late deliveries of supplies to us, in so far as these occurrences are not attributable to us and/or could not be avoided by us despite our taking reasonable care appropriate to the circumstances of the case, and in so far as they affect the fulfilment of the contract within the specified delivery period. If the delivery period arising out of such circumstances is unreasonably prolonged, the buyer will be entitled to withdraw from the contract on the expiry of a reasonable period of grace to be set by him or, in so far as the matter relates to a part delivery, to withdraw from the unfulfilled part of the contract. If we have already fulfilled a part of our contractual obligations, the buyer may rescind the entire contract only if the buyer can demonstrate that he is not interested in the partial performance already rendered.

3. In the event that we default on delivery, the buyer shall, after setting a reasonable period for subsequent delivery and upon unsuccessful expiry of such period, be entitled to rescind the contract or, if the buyer is interested in partial delivery, to cancel such part of the contract that has not been fulfilled. If we have already fulfilled a part of our contractual obligations, the buyer may rescind the entire contract only if the buyer can demonstrate that he is not interested in the partial performance already rendered. Any claims of the buyer in excess thereof - in particular, claims for compensation due to non-fulfilment, including consequential damage - shall be excluded, provided that §9 hereof does not contain provisions to the contrary.

4. Shipments prior to expiry of the delivery period and partial deliveries shall be allowed, provided that this does not interfere with conflicting interests of the buyer to an unreasonable extent.

5. When parts are specially manufactured, it may not always be possible to supply the exact ordered quantity for production-related reasons and the associated risk of rejects. The right is reserved to supply slightly lesser or greater quantities, and to invoice them accordingly. This shall not constitute default in the sense of the German Civil Code.

§5 Transfer of risk, dispatch, packing

1. Unless otherwise agreed, our supplies are consigned ex-works.

2. In every case, including the risk of sequestration, the risk will pass to the buyer on the handing-over of the goods to the transport contractor, even in the case of carriage paid consignments. This will also apply if we ourselves transport the goods or arrange their transport, or if we ourselves have undertaken to carry out the dispatch or delivery at our own expense. If dispatch is delayed for reasons attributable to the buyer, the risk will pass to the buyer on his being notified that the goods are ready for dispatch.

§6 Retention of title

1. We reserve title to the goods supplied until all the debts arising out of this contract have been discharged in full, including debts arising out of cheques and bills of exchange and any legal rights of relief relating to same arising out of payments in fulfillment by cheque or bill of exchange. If payments are made by the so-called cheque/bill of exchange method, we reserve title to the goods supplied until the risk of recourse arising out of the bills of exchange placed at our disposal has passed. In so far as the buyer is exercising his commercial or independent professional activity in concluding the contracts on which the claims mentioned hereinafter are based, we reserve title to the item to be delivered until all accounts payable arising from the business relationship have been paid off in full.

2. Any processing or transformation of the goods supplied is to be undertaken by the buyer or us without this giving rise to any obligations on our part. If the buyer combines, mixes, blends or processes the goods supplied by us with other goods, we will acquire joint ownership of the goods resulting therefrom. The proportion of joint ownership will be determined in accordance with the proportion of the invoiced value of the goods supplied relative to the value of the newly manufactured goods. The combining, mixing, blending or processing of the goods supplied by us will be permitted in the ordinary course of business, provided the aforesaid safeguards are guaranteed.

3. The buyer may dispose of the goods supplied and the articles made from them (hereinafter referred to summarily as reserved goods) in accordance with Clause 2 above, in the ordinary course of business, provided he guarantees the extended retention of title (assignment of claims in accordance with Clause 4 below). No other form of disposal, particularly pledging, hiring, lending or transferring as a security, is allowed.

4. The buyer hereby assigns to us all debts arising or yet to arise from the disposal or other use of the reserved goods and we accept the assignment. If the reserved goods are only jointly owned by us, the assignment shall only comprise that proportion of the debts corresponding to the proportion of our joint ownership.

5. The authorisation of the buyer to use, process, combine, mix and blend the reserved goods as well as the authorisation to collect such assigned claims is restricted to the proper course of business and is revocable. Such authorisation may only be revoked if the buyer fails to properly meet its obligations, particularly its payment obligation under this contract or becomes insolvent or if insolvency proceedings are instigated on the buyer's assets. In such event, the buyer shall, upon our request, notify the debtor of the assignment; we shall also be

entitled to disclose the extended retention of title to the customer of the buyer. In the event that the buyer's authorisation to collect claims is revoked, the buyer shall reveal to us immediately the names and/or company names and address of the debtors of the assigned claims.

6. The authorisation of the buyer to dispose of the reserved goods as well as the authorisation for processing, joining, mixing and blending, as well as the authorisation to collect claims that have been assigned shall lapse without any express revocation, if the buyer becomes insolvent, in the event of suspension of payments, the filing of an application for insolvency proceedings against the assets of the buyer by either the buyer or a third party, or upon establishment of his overindebtedness.

7. In the case of Section 5 or 6 above, we shall be entitled to take possession of the reserved goods upon unsuccessful expiry of a reasonable grace period. The buyer shall be obliged to surrender such goods. The buyer shall further reveal to us immediately the name/company name of the debtor of the assigned claim. Under the above mentioned conditions, we are entitled to disclose the extended retention of title to the debtor of the buyer.

8. If the value of the sureties furnished to us exceeds all the privileged debts by more than 20%, we will undertake to release excess sureties at our discretion, at the buyer's request.

9. The buyer will be required to notify us immediately in writing of any impending or completed actions by third parties to gain access to the reserved goods or the assigned debts and to supply the documents necessary for our intervention. The costs of intervention, including any legal costs whatsoever, are to be borne by the buyer within the terms of the relationship between us and the buyer.

§7 Guarantee

1. We shall be liable for defects in quality and title with respect to the item to be delivered to the extent provided for under the following provisions.

2. Complaints for incomplete or incorrect deliveries or complaints for apparent defects shall be notified to us within 8 days following delivery of the goods; if the buyer should fail to do so the item shall be deemed approved, unless we or our legal representatives or vicarious agents act with fraudulent intent. If the buyer is a merchant and if the contract forms part of the buyer's commercial enterprise, §§ 377, 378 HGB (German Code of Commercial Law) shall apply as supplement provisions. In the case of international transactions the UN Sales Convention (CISG) shall apply as supplement provisions. Latent defects shall be reported immediately following their discovery by the buyer and notified to us in writing within 8 days thereafter.

3. Our warranty for defects in quality and title shall be limited to subsequent performance regarding the subject matter, i.e. to the correction of defects or the provision of nondefective goods, and to a period of 12 months from the date of dispatch of the goods. We shall be entitled to deny subsequent performance if such subsequent performance results in disproportionate costs for us. In lieu of subsequent performance, a reduction in the price agreed upon or rescission of the contract may be demanded. Rescission of the contract shall be excluded if the defect is insignificant. In addition, provided that we have executed defect free partial deliveries, the entire contract may be rescinded only if the buyer can prove that he has lost interest in the partial deliveries already executed.

4. In the event that the repair or replacement delivery of nondefective goods fails and if another attempt to effect subsequent performance is unreasonable for the buyer, the buyer can either demand a reduction in the price agreed upon or rescission of the contract. Rescission of the contract shall be excluded if the defect is insignificant. In addition, provided that we have executed defect free partial deliveries, the entire contract may be rescinded only if the buyer can prove that he has lost interest in the partial deliveries already executed.

5. Unless otherwise stated in §9 below, additional claims of the buyer, in particular claims for personal injury, for damage to such goods which are not subject matter of the contract, loss of income, consequential damage, damage immediately attributable to the defect, etc., shall be excluded.

6. Unless otherwise agreed in writing, our warranty shall not cover the fitness of the delivered item for the purpose of use intended by the buyer if such purpose deviates from the customary purpose of use.

§8 Withdrawal from the contract for non-fulfilment

1. Irrespective of any other situation covered by these provisions, the buyer may also withdraw from the contract by notification in writing if it has become completely impossible for us to fulfil the contract before the transfer of risk. In the event of partial unfeasibility, the right of withdrawal will only apply if the buyer can prove that a part delivery or the supply of incomplete services is not in his interest. Furthermore, rescission of the contract shall be permitted only if the breach of duty is substantial.

2. If the unfeasibility is not attributable to either party to the contract, we will be entitled to claim payment for the corresponding part of the goods or services supplied.

§9 Liabilities

1. The buyer shall in principle have no other or additional contractual or legal claims against us, our legal representatives or vicarious agents than those granted to the buyer under these General Terms and Conditions of Business.

2. Our liability and the liability of our legal representatives and vicarious agents, particularly in cases as specified in these General Terms and Conditions of Business, shall be limited in any case of breach of duty or tort - due in particular to the delivery of defective goods and to delayed delivery - to intent and gross negligence as well as negligent breach of material contractual obligations (cardinal obligations). We, our legal representatives and vicarious agents shall be fully liable in the event of gross negligence or intent; in other respects, our liability, and the liability of our legal representatives and vicarious agents, shall be limited to compensation for such damages which are typical of the contract and are foreseeable. In the event of existence of a liability

insurance to cover the risk of damage which is typical of the contract, our liability, and the liability of our legal representatives and vicarious agents, shall be limited to the benefits of such liability insurance, provided that the buyer is a public law entity, a special fund under public law or an Entrepreneur who, at the time of conclusion of the contract, is independently engaged in a business or trade and provided that the contract forms part of the buyer's commercial enterprise. To the extent the insurer is exempt from the duty to indemnify, we shall provide indemnification up to the amount insured.

3. The limitations to liability under Sections 2 and 4 shall not apply to liability for such harm to life, body and health which is caused by negligent breach of duty on our part or is caused intentionally or by gross negligence by one of our legal representatives or vicarious agents.

4. Claims for damages by the buyer due to negligent breach of duty by us, our legal representatives or vicarious agents or any other third parties the conduct of which may be attributable to us on a case-by-case basis, shall be excluded particularly in cases of negligent delays in delivery or defective delivery caused by negligence, unless they involve a breach of material contractual obligations.

5. The limits of liability specified in these provisions do not apply to our duty of compensation under the provisions of the Law of Liability for Faulty Products, dated 15.12.1989, in the version in force. The same will apply in the event that it was impossible for us to fulfil the contract from the outset.

§10 Protected rights and tools

1. We reserve our title, copyright and other commercial protected rights to application proposals, drafts, drawings and other documents. They may only be made accessible to third parties with our agreement and are to be returned at our request.

2. If we have supplied articles manufactured in accordance with drawings, samples or other documents provided by the buyer, the latter is to guarantee that the protected rights of third parties are not infringed thereby. In the event of a claim arising in this connection, the buyer undertakes to hold us free of taint or legal action and to release us from the said claim immediately. The buyer shall compensate us for any costs (including legal expenses) incurred to us as a result of any claims against us in that connection.

3. Any tools made by us for the purpose of manufacturing the goods supplied will remain our property, even if the buyer has paid a proportion of the costs thereof.

§11 Installation work

The provisions for installation work laid down by the Association of German Machine Manufacturers (Verein Deutscher Maschinenhersteller e.V.), Frankfurt, will apply.

§12 Place of fulfillment, court of jurisdiction, applicable law

1. The place of fulfillment for all claims arising out of the business relationship shall be Munster, provided the buyer is a merchant within the meaning of the Commercial Law or is a body corporate or separate estate under public law.

2. The court of jurisdiction for all claims arising out of the business relationship, including claims relating to bills of exchange and cheques, shall be the court in whose district we have our registered office, in so far as the buyer is a merchant within the meaning of the Commercial Law or is a body corporate or separate estate under public law. We will also have the right to institute legal proceedings in the court having jurisdiction over the place in which the buyer's registered address is located.

3. All contractual and business relationships between us and the buyer shall be based exclusively on the Law of the Federal Republic of Germany, together with the UN Trading Law in the case of international transactions.

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