

General Terms and Conditions of Purchase of the Interfer Group (status: May 28, 2004)

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General Provisions

- (1) Solely the following terms and conditions of purchase constitute part of contractual relations between the contractor and ourselves. In ongoing business relationships, this also applies if contracts are made by telephone, fax or other means of telecommunication. Any terms of business of the contractor which differ from these terms of purchase shall only be valid in particular cases and only if this is expressly confirmed in writing. Our acceptance of the contractual item does not constitute a substitute for such written confirmation.
- (2) With secondary ranking, all relevant legal regulations in the field of licensing, accident prevention, industrial safety (Machine Protection Act, ordinance on hazardous working materials, and similar) and environmental protection shall apply, together with all applicable directives and instructions issued by the appropriate agencies (in particular by supervisory authorities, employers' liability insurance bodies, trade associations and similar) and the accepted rules of engineering.
- (3) Purchase orders and agreements, together with any amendments thereto, are only binding if issued or confirmed by us in writing. Purchase orders and other agreements must be confirmed in writing by the contractor. If order confirmation differs from the purchase order, such differences are to be marked and separately identified. Any failure to confirm will be regarded as acceptance of the purchase order.
- (4) We reserve the title and copyright to any illustrations, drawings and other parts of our request for a tender. They are not to be made available to third parties. The material is only to be used for performance of our order and is to be returned to us automatically after completion of the purchase order or at our request. Special experts and sub-contractors commissioned by the contractor will not be deemed to be third parties, provided they have made the same undertaking to the contractor to treat the material as confidential. The contractor will be liable for all damages which we may incur as a result of a breach of this obligation.
- (5) For us, the tenders prepared by the contractor will be free of charge and non-binding.

Prices and Terms of Payment

- (1) The agreed prices are fixed prices covering all discounts and additions, excluding value-added tax and including the costs of packaging which must be designed to prevent transport damage. They apply free to the destination identified in the purchase order. The contractor will bear the risk of cost increases of any kind that may occur after conclusion of the contract. Prices increases are not permitted, even if supply is made or is scheduled to be made more than 4 months after conclusion of the contract.
- (2) In the event of carriage-forward delivery, we will only pay the most inexpensive freight costs, unless we have specified a special mode of shipment. The agreement on the place of fulfilment is not affected by the type of pricing.
- (3) The contractor will give us immediate written notification of any amendments/extensions to the scope of supplies or services which may prove necessary during performance. They are subject to our prior written approval. The same applies to excess or short deliveries which are similarly not permissible without our written approval.
- (4) We reserve the right to recognise quantities and weights on the basis of the customary tests and subsequent weighing processes. The weighing that we perform is decisive for weights. To the extent legally permissible, weights can be determined on a standard basis without weighing. This does not prejudice the additions and reductions (commercial weights) customary in the steel industry in the Federal Republic of Germany. If individual weighing is not customary, the complete weight of the shipment will apply. Any differences between the complete weight and calculated individual weights will be allocated to such individual weights proportionately.

Qualities and dimensions are determined by the DIN-EN standards or material sheets applicable when the contract is concluded. If there are no DIN-EN standards or material sheets, the appropriate Euro standards shall apply; if there are no such standards, qualities and dimensions shall be as customary in the industry.

- (5) Invoices are to be sent in duplicate to the invoicing address given in the purchase order or, respectively, to our administrative department. Order numbers must be quoted and all invoicing material (bills of materials, work records, measurements, test certificates under DIN EN 10204, etc.) attached. Invoices must not be enclosed with the delivery. Partial invoices for deliveries only partly supplied or services only partly rendered are only permitted if agreed in writing when the contract is made. They must be identified as such and show statutory value-added tax.
- (6) Payment periods begin when we accept supplies or services without complaints and when we have received the invoice. Payment periods are deemed met when we dispatch the means of payment. Such periods end when we dispatch the means of payment. In the event of early supply, we reserve the right to pay invoices at the time which would have been contractually correct for supply as originally agreed.

- (7) If nothing has been agreed to the contrary, we will make payment after complete supply - about which no complaints have been submitted - and after receipt of the invoice with all invoicing material as per para. 5.
- (8) Our payments do not constitute recognition of invoicing.

Supply Dates and Periods

- (1) Agreed supply dates or periods are binding and must be met by the contractor. If a particular calendar week is agreed to be the supply date, the last possible time for supply is the Friday of that week. If it is a public holiday, the working day immediately preceding it will be the key date. Supply periods begin on the date of the purchase order letter. Supply dates or periods are only deemed to have been met if the goods arrive at the destination on the agreed date or within the agreed period.

We can refuse to take delivery of goods before the agreed supply date.

Acceptance of late supplies or services does not constitute a waiver of compensation claims. In all cases, the contractor shall compensate us for all additional costs incurred by late supplies or services, particularly in the event of rescission of the contract. Any additional freight costs caused by late supply will be payable by the contractor.

The contractor can only make partial supply subject to our written approval.

- (2) The contractor shall notify us immediately in writing when he realises that delays will occur or when delays actually occur, stating the anticipated date of completion or the time by which the supply period will be exceeded. If the contractor fails to give such notification, he cannot refer to the event causing delay in further dealings with us.
- (3) If the contractor is in default, we have the right to rescind the contract after the contractor has been set a period of grace without result. Any claims to damages on our part are not affected thereby.
- (4) In the event of delay in supply, we also have the right to require flat-rate damages for delayed performance amounting to 1% of the supply value per full week but not more than 10%. The contractor has the right to provide us with evidence that no damage or significantly less damage has been caused by delay. We reserve the right to assert further statutory claims and rights.
- (5) The contractor can only claim that he has not received essential documents that we were scheduled to supply if he did not receive such documents within a reasonable period despite sending a written reminder.
- (6) In the event of force majeure, we have the right to require performance at a later date; we must notify the contractor accordingly without delay.
- (7) Legal regulations shall apply in supplementation of the rulings in the clauses set forth above.

Statement of Origin

In the event that the contractor submits statements about the origin of the goods sold, the following shall apply:

The contractor undertakes to enable the appropriate customs authority agencies to check the documentary evidence of origin and to supply the relevant required information and furnish any necessary confirmation.

The contractor must compensate any losses incurred if the appropriate authority fails to recognise the stated origin due to faulty certification or inability to check the origin, unless said contractor is not responsible for these consequences.

Transportation and Passage of Risk

- (1) All risks pass to us on delivery of the supplied item to us at the destination identified in the purchase order, unless we have performed carriage ourselves using our own employees or a freight forwarder that we commissioned. Together with the shipment address, the transportation documents must contain purchase order particulars (purchase order number, purchase order date, delivery point, name of recipient, material number, etc.).

If hazardous substances are being supplied, we must be provided with product information, in particular safety data sheets, in due time before supply. The same applies to information relating to marketing restrictions imposed by law.

Costs incurred by the misrouting of shipments will be payable by the contractor if he is responsible for transportation or caused the misrouting. If delivery documents do not contain our order references, all costs thus incurred, such as demurrage, rerouting charges, etc., will be payable by the contractor.

- (2) The directions given by our freight staff must be followed when entering our works site/construction site and driving a vehicle there. Due advance notification of entry to or driving of a vehicle onto our works site/construction site must be given. The German road traffic regulations (*Straßenverkehrsordnung*, StVO) are to be complied with. Irrespective of the legal reason, we and our employees will be liable for gross negligence and intent only or, if there is loss of life or injury to body or health, also for ordinary negligence.

Liability for Material Defects

- (1) Going beyond the statutory warranty and the warranty additionally agreed in the purchase order, the contractor warrants that all the parts of his goods or services meet the intended purpose stated in the purchase order, the relevant legal regulations listed in paragraph 2 of the General Provisions in these General Terms and Conditions of Purchase, the applicable directives and orders issued by competent authorities, relevant technical rules and regulations (DIN standards, VDE regulations, etc.) and the accepted rules of engineering.

- (2) Any necessary analysis costs to establish whether supplies meet contractual requirements shall be paid by the contractor.
- (3) The contractor waives the plea of a delayed notice of defects.
- (4) If defects are found during the prescribed period for material defects or if warranties for the supplied goods or services are not met, we shall hold statutory rights and claims.
- (5) The material defects claims that we hold will be subject to statutory time limitation periods.
- (6) The time limitation applying to our material defects claims will be suspended for as long as the contractor has not finally rejected our claims in writing.
- (7) If defective goods are repeatedly supplied, we have the right, after issuing a formal letter of caution without result, to terminate successive contracts or blanket agreements without observing a period of notice.
- (8) If overall controls exceeding the normal scope of incoming material controls become necessary due to defective supplies, the contractor shall pay the costs thus incurred.
- (9) Inasmuch as the contractor is responsible for product damage, he shall hold us harmless upon first request in relation to damages claims from third parties, this being to the extent that the cause is allocated to his sphere of responsibility and organisation and he is liable himself in external relationships.

Offsetting/Retention Rights and Assignment

- (1) We have the right to offset liabilities against counterclaims, even if the due dates of the reciprocal claims differ or cash payment is agreed on the one hand and payment in acceptances or customer bills of exchange on the other.
- (2) We hold rights of retention as provided by law.
- (3) Assignments and other transfers of the contractor's rights and obligations outside the application area of Section 354 a of the German Commercial Code (*Handelsgesetzbuch*, HGB) are not permitted; any exceptions require our written consent to become effective.

Data Processing Clauses

We have the right to use automatic data processing systems to store and process the personal data of the contractor and to pass such data on to companies affiliated with us, this being to the extent necessary to perform and handle the purchase order.

Confidentiality

The contractor has an obligation to treat as absolutely confidential all the information he is given for performance of the purchase order. This does not apply to information already known to the contractor when he received it or of which he learned from a different source (e.g. from third parties without any confidentiality reservation or through his own independent efforts).

Publication, Advertising

Any assessment or announcement of existing business relations with us in publications or for advertising purposes is only permitted subject to our express prior consent in writing.

Final Clauses

- (1) The place of performance for all supplies and services is the destination that we name in the purchase order.
- (2) The legal venue for all disputes resulting from a contract based on these terms and conditions of purchase is exclusively the seat of business of our company, both for legal action taken by us and legal action taken against us. In addition, we have the right to take legal action at the court having jurisdiction for the contractor's seat of business.
- (3) The relations between the contractor and ourselves are governed solely by the law of the Federal Republic of Germany but excluding private international law, the Hague Sales Convention and the Convention on the International Sale of Goods (CISG). The contractual language is German.
- (4) If any provisions in these terms and conditions of purchase are or become ineffective, the effectiveness of the other provisions will not be prejudiced thereby. The ineffective provision shall be replaced by a legally effective one coming as close as possible to the purpose of the ineffective provision.
- (5) Any subsidiary agreements, amendments or additions must be recorded in writing. This also applies to any amendment to or cancellation of this clause.
- (6) If written form is required in these terms and conditions of purchase or in the other contractual agreements, it will also be deemed to be respected in the event of communication by fax, email or other methods of electronic data transmission.