

1. General scope

This contract and all future contracts with the Customer shall be governed exclusively by these "General Terms of Payment and Delivery". We do not recognize terms of the Customer that conflict with or deviate from our "General Terms of Payment and Delivery" unless we have expressly accepted them in writing.

Our "General Terms of Payment and Delivery" apply only to contracts with entrepreneurs (Unternehmer: this includes businessmen and professionals) within the meaning of s. § 310 para. 1 of the German Civil Code (Bürgerliches Gesetzbuch, BGB).

2. Terms of payment

2.1 Our invoices for binding wire are payable within fourteen days at a 2% discount or within thirty days net. If payments are received that are not sufficient to settle all the liabilities arising from the business connection, these will be applied first for costs, then towards interest on the oldest debt in each case.

2.2 Our invoices for bare wire are payable within ten days at a 3% discount or within forty-five days net.

2.3 Packaging material is payable without deduction.

2.4 Unless otherwise indicated by the confirmation of order, delivery shall be "ex works".

2.5 Our prices do not include value-added tax at the statutory rate; this is shown separately on the invoice at the applicable rate.

2.6 The times for payment begin to run on the date of the invoice or on the date when notice of readiness to ship is given. In the case of all kinds of payment, the date when payment is made is to be construed as the day on which we have the amount at our disposal. If the agreed payment times are not observed, all our claims shall be due immediately irrespective of bills we have accepted.

2.7 If the Customer is in default of payment, we shall be entitled to demand interest on default at the rate of 8% p.a. above the base rate of the European Central Bank. If we are in a position to prove greater loss caused by default, we shall be entitled to claim such greater loss. The Customer, however, is entitled to prove to us that as a result of the default in payment we incurred either no loss or a substantially smaller loss.

2.8 The Customer may set off payment only against claims that either are undisputed or have been finally and non-appealably determined by a court of law. The Customer has a right of retention only with regard to claims that are undisputed or have been finally and non-appealably determined.

3. Packaging

Packaging material (e.g. spools, containers and pallets) are charged to the Customer at the current value and become the Customer's property after payment. We will buy back at the current repurchase value packaging material returned to us by the Customer postage paid and in undamaged condition.

4. Metals

4.1 If we buy in metals (copper and aluminium) at the Customer's request and we are not at the same time given a specific job, we will charge the Customer for the metals. The invoice for the metal shall be payable immediately and without any discount. Property in the metal shall pass to the Customer only upon payment.

4.2 If the Customer provides for production purposes electrolytic copper cathodes LME (London Metal Exchange) marks grade A by way of suppliers to be agreed on with us, we shall have the right to use these raw materials in our day-to-day production. We agree to make available at the appropriate time raw materials in the same amount and quality, so that the goods ordered by the Customer can be produced in time and delivery is not delayed.

4.3 Copper needed for production must be provided in good time so that the copper for winding wire is available at the supplier's factory at least six weeks before the delivery date requested, and the copper for bare wire at least three weeks before the delivery date requested, or at the time when the finished goods are ordered.

If on the day of delivery no copper is available, then delivery will be made on the same conditions as for the full-price transaction, the amount delivered in this way to be limited to the amount of copper missing. For the purposes of calculation, the higher DEL price (German quotation for electrolytic copper) on the day of delivery plus delivery costs and additional processor's charge shall apply. If amounts of copper are received at a later date, these cannot subsequently be set off against such full-price transactions.

5. Additional delivery or short delivery

We are entitled to exceed or fall short of the amount ordered by up to 10%, with regard both to the total amount ordered and to the individual part deliveries

6. Warranty for defects

6.1 If there is a defect in the goods, we will at our choice furnish an additional supply or rectify the defective goods, so called post fulfillment (Nacherfüllung). Post fulfillment is excluded if it would

cause disproportional costs. Claims of the Customer are excluded if the defect in the goods is non-essential. A non-essential defect especially exists if the value or the merchantability is negligible diminished, e.g. if there are defects in quality in bare wire and the defective material constitutes less than 5% of the quantity supplied.

6.2 If post fulfillment failed, is refused or unreasonable the Customer shall be entitled at its choice to require the contract to be cancelled or the payment to be appropriately reduced.

6.3 If part deliveries are defective, this does not give rise to any rights of the Customer with regard to the other part deliveries.

6.4 Except as provided otherwise in the following, more extensive claims on the part of the Customer, for whatever legal reasons, shall be excluded, in particular claims for compensation for loss and damage that is not caused to the goods delivered themselves. In particular, we are not liable for loss of profits or other property loss of the Customer.

6.5 The above exemption from liability shall not apply to the extent that, for example under the Product Liability Act (Produkthaftungsgesetz) or in cases of intention, of gross negligence, the infringement of life, body or health or where fundamental contractual duties have been violated, the exclusion of liability is prohibited by law. In cases of the violation of fundamental contractual duties with ordinary negligence or of the intention or gross negligence of the agents for whom we are vicariously liable who are not managerial employees, our liability is limited to liability for foreseeable loss and damage typical of contracts. This does not affect the liability for infringement of life, body or health. The above provisions do not entail a reversal of the burden of proof to the detriment of the Customer.

6.6 The period of warranty for whatever defect in goods is one year, starting on the date of the delivery.

7. Periods for delivery and acceptance of delivery

7.1 The delivery period stated in the offer shall not be binding. The delivery period agreed in the confirmation of order begins to run on the date when the details of the order are fully clarified. It applies only to the date of delivery ex works. In the case of strikes, lockouts and other circumstances outside the parties' influence, the delivery period shall be appropriately extended.

7.2 We shall be entitled to make part deliveries, unless expressly otherwise agreed.

7.3 If, after we are in default, the Customer makes time of the essence by laying down an appropriate deadline for delivery or post fulfillment and if this additional period of time then expires without our performing, the Customer shall be entitled to cancel the contract.

7.4 The Customer shall have claims to damages instead of performance or post fulfillment only if an appropriate deadline for delivery or post fulfillment fixed by the customer expired without our performing and if the default results from intention, gross negligence or a violation of fundamental contractual duties. In the last case, our duty to compensate is restricted to loss and damage that is foreseeable and typical of a contract. The above provisions do not entail a reversal of the burden of proof to the detriment of the Customer

8. Proviso as to delivery, right of security, right of cancellation

8.1 Our delivery is made subject to the reservation that we ourselves obtain the necessary supplies correctly and in time. Moreover, we shall be under an obligation to deliver the goods only if we are able to obtain the crude metals necessary for production at the prices agreed.

8.2 If after entering into this contract but before delivery we become aware of plausible circumstances that cast doubt on the Customer's ability to pay, we shall be entitled to cancel the contract unless the Customer states that it is prepared to take delivery of the goods in return for payment in advance or to give us other acceptable security for payment.

9. Reservation of title

9.1 We reserve title to the goods delivered by us until we have received all payments due to us from the business relationship with the Customer. If the Customer acts in breach of contract, in particular in the case of default in payment, we shall be entitled to take back the goods. If we take back the goods, this shall not constitute a cancellation of the contract.

9.2 If the Customer is in default in payment we can cancel the contract after setting a reasonable time limit [of 14 days].

9.3 After cancelling the contract and taking back the goods, we shall be entitled to realize them; the proceeds of sale, less appropriate costs of realization, shall be set off against the Customer's liabilities.

9.4 The Customer is under a duty to treat the goods with care; in particular, it is under a duty to insure the goods at its own cost adequately at replacement value against damage by fire, water and theft.

9.5 In the case of levying of execution or other infringements by third parties, the Customer shall inform us without delay in writing, in order that we can institute legal proceedings under s. 771 Code of Civil Procedure. If the third party is not in a position to reimburse our in-court and out-of-court costs of a legal action under s. 771 Code of Civil Procedure, the Customer shall be liable for the loss we incur.

9.6 The Customer shall be entitled to resell the goods in the ordinary course of business; it hereby now assigns to us in advance all claims in the amount of the final invoice amount (inclusive of VAT) of our claim that accrue to the Customer, as a result of the resale, against its buyers or third parties, independently of whether the goods are resold before or after further processing. Even after the assignment to us, the Customer shall remain entitled to collect this claim. This shall be without prejudice to our right to collect the claims ourselves. However, we agree not to collect the claims as long as the Customer satisfies its duties of payment from the proceeds of sale received, is not in default of payment and in particular no petition for the commencement of bankruptcy or composition proceedings has been presented nor has the Customer suspended payment. But if any of these conditions is satisfied, we shall be entitled to demand that the Customer notifies us of the claims assigned and their debtors, gives us all the information necessary to collect the claims, hands us the relevant documentation and informs the debtors (third parties) that the claims have been assigned.

9.7 Any processing or alteration of the goods by the Customer shall always be deemed carried out for us. If the goods are processed together with other property that does not belong to us, we shall acquire part ownership of the new property in the proportion of the value at the time of the processing of our goods to the other property processed. Moreover, the same shall apply to the new property created as a result of the processing as applies to the goods delivered subject to a reservation.

9.8 If the goods are combined with other items that do not belong to us so that they can no longer be separated, we shall acquire co-ownership of the new property in the proportion of the value of the goods to the other items combined at the time of the combining. If the mixture takes place in such a way that the Customer's property is to be seen as the main property, it shall be deemed to have been agreed that the Customer transfers proportionate co-ownership to us. The Customer shall preserve the sole ownership or co-ownership thus obtained for us.

9.9 We agree to release the securities to which we are entitled at the request of the Customer to the extent that the realizable value of our securities exceeds the claims to be secured by more than 20%; the choice of the securities to be released shall be made by us.

10. Return shipments

Goods may be shipped back to us only after previous agreement.

11. Other claims to compensation

11.1 A more extensive liability for damages than that contained in nos. 6.5, 6.6 and 7.3, for whatever legal reason is excluded. This shall not apply if liability is mandatory, for example under the Product Liability Act or in cases of intention, of gross negligence, because of the infringement of life, body or health, of the violation of fundamental contractual duties, of impossibility. In cases of the violation of fundamental contractual duties with ordinary negligence or of the intention and gross negligence of agents for whom we are vicariously liable who are not managerial employees, our liability is limited to liability for foreseeable loss and damage typical of contracts. This does not affect the liability for infringement of life, body or health. The above provisions do not entail a reversal of the burden of proof to the detriment of the Customer.

11.2 To the extent that our liability is excluded or limited, this shall also apply to the personal liability of our employees, representatives and our agents in performing the contract for whom we are vicariously liable.

12. Place of jurisdiction, place of performance and governing law

12.1 If the Customer is a businessman under the German Commercial Code (Kaufmann), the place of jurisdiction shall be the seat of our business; however, we are also entitled to take proceedings against the Customer at its seat.

12.2 The place of performance for all liabilities arising from the contract shall be our business seat.

12.3 The contractual relationship shall be governed by German law, excluding the application of the United Nations Convention on Contracts for the International Sales of Goods (CISG).