

General Terms of Delivery and Payment

Wiebrock PFK GmbH & Co. KG, D-Herford

for use in business relations with other companies

1. Quotation and conclusion of contract

An order shall be considered as accepted only if it has been confirmed by supplier in writing. Until then, supplier's quotation shall be considered as non committal. Any orders placed by telephone, cable, or personally, any supplements, changes, etc. shall require the written form to be legally effective.

Any measurements, weights, pictures, descriptions, and drawings, shall only be binding if expressly confirmed in writing.

Of any pictures, drawings, sketches, and other documents, supplier shall reserve all and any material and intellectual ownership. These shall not be made available to any third party without supplier's prior written approval, and shall have to be returned upon request. Orderer shall have to guarantee that any detailed drawings submitted to him shall not interfere with any protection rights of any third party. Supplier shall not have an obligation as against the orderer to check whether by making any offers based on any detailed drawings submitted to him, any protective rights of any party would be violated in case the order would be carried out. If any liability of supplier's should yet evolve, orderer shall keep him harmless for any claims as to recourse.

2. Prices

are always valid for the supply ex works, excluding packing and transport.

For the execution of the order the actual prices ruling on the day of delivery are valid, unless fixed prices have been explicitly agreed upon for a certain period of time or for a certain object.

In case between the day of order and the day of delivery there should occur a general raising of price of the species of the ordered goods, also a fixed price, as stipulated, will increase correspondingly. Unforeseen difficulties in manufacture and/or additional operations which should prove necessary in case of a special production order, will cause appropriate raising of prices.

3. Payment

Any payments shall be made immediately in cash without any deduction free to supplier's domicile. Any bills and cheques are only accepted for payment purposes. In case we shall accept a bill, the purchaser will have to pay discount as well as the bank fees. If any payments are allowed to be delayed or made later than agreed, the interest to be charged in the meantime shall be 4% on top of the respective discount rate of the central bank of the land without the necessity of any putting in delay.

4. Term of delivery

The term of delivery shall begin at the earliest as soon as all details of the execution have been clarified and both parties have agreed on all conditions of the business, and shall be referred to completion in the factory. A prerequisite for keeping the term of delivery shall be the fulfilment of orderer's contractual obligations, in particular of the agreed conditions of payment. Any unforeseen events which are outside supplier's powers such as operational failures, delayed delivery by his subcontractor, spoilage in supplier's own factories or at the subcontractor's shall extend the term of delivery in an appropriate manner, even if these occur during any potential delay in delivery.

Partial deliveries are permitted.

5. Dispatch

If the purchaser has not given detailed instructions for delivery, we shall dispatch the goods to the best of our judgement. We do not take over any obligation with respect to forwarding at the lowest possible price. In any case, all shipments will be forwarded for account and risk of the purchaser.

6. Passing of risk

The risk shall pass to orderer when the merchandise is shipped ex factory, even if carriage prepaid has been agreed. A transport insurance shall only be arranged upon orderer's instruction and at his cost.

If a shipment is delayed on orderer's fault, the risk shall pass to orderer as early as at the day when the merchandise is ready for shipment. Supplier shall be entitled to insure the shipment against all and any potential risks at orderer's cost.

7. Insurance

Any elements, parts, tools or equipment which are in orderer's sole ownership and left to us free of charge shall be insured by orderer against all kinds of damage at replacement cost.

8. Warranty (liability for defects)

Material defects become statute-barred after 12 months.

Supplier shall only be liable for any deficient execution. For any deficient material he shall only be liable in case of delivery through supplier in as far as he ought to have realized the deficiency if he had applied expert care.

In case of manufacturing according to orderer's drawing, supplier shall only be liable for his execution in accordance with the drawing.

If supplier is left to find the solution of a construction task, a warranty shall only be filed if orderer proves that supplier's product does culpably not comply with the general state of technology.

Orderer shall only be able to claim on the basis of a warranty that unusable parts will be repaired free of charge.

After delivery of the tool, orderer shall check the accuracy as to size and function of the article and to inform supplier immediately of any deficiency found.

Supplier shall not assume any liability for any deficiency occurring during the production of the spoiled part.

Any cost arising to supplier on account of any unjustified customer's complaint shall be paid by orderer.

Supplier shall not be obliged to remove any deficiencies as long as orderer does not meet his obligation to pay. A warranty shall not apply if orderer has carried out any rework without supplier's approval.

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9. Termination of contract

Orderer can only withdraw from his contract in as far as he assumes the cost of design and construction, material and wages accrued up to the termination date. Any other claims of orderer's shall be excluded.

If - upon conclusion of a contract - supplier comes to know that orderer is in an unfavourable financial situation, he can ask for a security for counter performance, or he can declare that he refrains from the counter performance. In the latter case, orderer shall reimburse to supplier all expenses accrued to date and to pay damages because of non performance of the delivery.

10. Retention of Title

Until all claims to which we have a title (inclusive of any current account balance claims) are fulfilled as against the orderer for any legal grounds - present and future - the following securities shall be granted to us, to be released upon request, as we shall elect, in as far the claim is persistently exceeded by more than 20 per cent.

All goods supplied remain our property until the purchaser's entire payment of total debt resulting from our mutual business relations. If, in connection with payment of purchase price, the guarantee of a bill is undertaken by the seller, the retention of title will not expire before payment of the bill by the purchaser as drawee. The purchaser is obliged to keep and store our goods separately and to insure same against damage and larceny in any case.

The retention of title also applies - corresponding to the value - on the new products resulting from processing. Manufacture is made in our name. The purchaser acts as voluntary consignatory for the seller.

The purchaser is entitled to dispose of the goods under retention of title in ordinary course of business, as long as he is willing and in a position duly to meet his obligations to us.

Pledge or mortgage of our goods are not allowed.

The purchaser is obliged to prevent from our property any encroachments of a third party (distress etc.) and to give us resp. notice immediately. All claims out of the sale of the goods under retention of title are assigned by the purchaser to us already now, together with secondary and security rights - including bills and cheques - in order to safeguard our claims. If, after processing together with other objects, the goods under our retention of title are sold, the assignment is limited on that part of the demand which corresponds to the part of goods under retention of title from the total value of processed goods at the time of processing.

The purchaser is obliged to keep payments received from these assignments separately and to use them only for the settlement of our demand. In particular cases, we are entitled to inform the buyer on the assignment. On our request, the purchaser has to submit to us a list of the assigned outstandings for the purpose of self-collection by us.

If Customer defaults on payments, Supplier shall be entitled to rescind the contract and take back the goods upon expiry of a reasonable period of grace granted to Customer. Customer shall be obliged to surrender the goods.

11. Place of performance and jurisdiction

The city of Herford shall be the place of performance for any obligations of both parties following from this contract, likewise for any claims for redhibition or damage compensation. For any type of litigation, likewise for action on dishonoured bills, the court at the place of performance shall be in charge. For the relations evolving out of the contract for delivery and for its interpretation, the law to be applied shall be the law valid at the place of performance. The delivery contract shall not be fully ineffective if any individual provisions become ineffective.

However, Supplier shall also be entitled to sue Customer at the latter's domicile.

12. Export Contracts

All legal relations associated with the present contractual Agreement shall be governed by German substantive law excluding the United Nations Convention on the International Sale of Goods (CISG).

13. Orderer's purchasing conditions

Any purchasing conditions of orderer's which are contradictory to these conditions shall not be binding for supplier, even if orderer takes them as a basis, and if supplier has not expressly contested the contents of same.

WIEBROCK PFK GmbH & Co. KG, Maschstrasse 22, D-32052 Herford

Status of June 1st, 2002