

General Terms and Conditions of Sale

(November 2009)

I. Application

These General Terms and Conditions of Sale (hereinafter "Sale Conditions") are applicable to all current and future contracts for the sale of our goods to the Customer. Conflicting or differing general terms and conditions of the Customer do not apply unless we have expressly confirmed their application in writing. Even if we make reference to documents containing or referring to general terms and conditions of business of the customer or a third party, this does not amount to a confirmation of the application of such general terms and conditions.

II. Offers

1. Our offers are always subject to change without notice and non-binding unless we give ourselves a binding validity period or a certain period for acceptance. The Customer's order is a binding offer to us. The Customer is bound to this offer for four weeks after the receipt of the order by us. A sale contract first comes into force if the order of the Customer is expressly confirmed by us in writing by means of a confirmation of order. Oral declarations or undertakings made before the conclusion of the contract are non-binding in each case and shall be replaced by the written contract unless such contract expressly states that they should continue to apply.
2. Guarantees as to the quality or durability of our goods must be expressly indicated to be a guarantee. Public statements, promotions or advertising made by us or third parties do not constitute a specification of quality of the goods.
3. Within the framework of the manufacture of the goods we are entitled to deviate from the illustrations, drawings and weight and size specifications contained in the Customer's order provided however this is technically required and reasonable for the Customer.
4. We shall be entitled to the copyright and related intellectual property rights in terms of the German Copyright act in all illustrations, drawings, calculations and other documents provided to the Customer in the context of our offers or delivery or our goods. The exploitation with or without payment or the forwarding of these documents – in any form whatsoever – is not permissible unless we have expressly agreed in writing.

III. Sale Price, Conditions of Payment

1. Our prices are applicable ex works and do not include packaging and transportation. Packaging and transportation will be separately invoiced. Also to be included are the freight

General Terms and Conditions of Sale

tariffs, customs duty and other charges for the despatch as are valid on the day of the shipment.

2. Our sale prices are exclusive of statutory value added tax.
3. Unless otherwise agreed with the Customer, the sale price shall be paid as follows:
 - ♦ $\frac{1}{3}$ after receipt of confirmation of the order (Paragraph II. no. 1) by the Customer (first instalment);
 - ♦ $\frac{1}{3}$ as soon as we have informed the Customer that the main part of the order is ready for despatch;
 - ♦ the remaining amount once we have confirmed the operational readiness of the goods.
4. The Customer can only set-off against our claims for payment if its counterclaims are legally determined, undisputed or acknowledged by us. Retention of goods can only be claimed by the Customer to the extent that its counterclaim arises from the same contractual relationship.

IV. Delivery Time, Liability for Delay

1. The delivery period commences when the Customer has made available to us payment security, documents and information (including technical documents, confirmation of the pipe diameter and drawing of the pipe) which the Customer has to provide to us, as well as, where applicable, approvals and clearances, and, in addition, we have received the first instalment (Paragraph III. no. 3).
2. The delivery period is complied with if, by its expiry, the goods have left the works or our goods are ready for despatch and we have informed the Customer of this fact.
3. Compliance with our obligation to deliver pre-requires the prompt and proper fulfilment of the Customer's obligations.
4. In the event of force majeure such as operational disruptions, transport delays, industrial action in particular strikes or lock-outs as well as non-delivery, incorrect or delayed delivery by our suppliers for whatever reason, and in the case of other hindrances to performance not caused by us, we may postpone the delivery by the duration of the hindrance and a reasonable start-up time. To the extent that it amounts to a foreseeably long-standing hindrance, we are entitled to refuse delivery of the goods in whole or in part. In such cases, the Customer shall not be entitled to any compensation claims against us. The Customer is not obliged to make any payment and will receive back from us any payments already made.
5. If the Customer is in default with acceptance or breaches other obligations to cooperate, it must reimburse us for any damages arising including any possible additional costs. We reserve the right to make any further claims. Furthermore, in the event of delayed acceptance by the Customer, the risk of accidental destruction or accidental deterioration of the subject of delivery passes over to the Customer at the point at which the Customer is in default.

General Terms and Conditions of Sale

6. In cases of delay to delivery or impossibility of delivery we are only liable for damages in accordance with Paragraph IX. The damages for delay for which we are liable under Paragraph IX. is limited to 0,5 % of the value of the late delivery or partial delivery for each full week, subject to the upper limit however of 5 % of the value of the late (partial) delivery.

V. Passing of Risk–Acceptance

1. Despatch and transport are at the risk of the Customer. The risk passes with the despatch of the goods to the Customer and also if partial deliveries take place or if the deliverer carries out other services, e.g. the despatch costs or delivery and assembly, to the extent that Paragraph V. no. 2 is not applicable.
2. If the Customer refuses acceptance of the goods or despatch of the goods is delayed for other reasons caused by the Customer, the risk is transferred at the beginning of the Customer's delay in acceptance. After the passing of the risk, the Customer shall be liable for storage costs. We shall be entitled to charge storage costs at a blanket rate of 0,5 % of the invoice amount for each month or the actual damages unless the Customer can prove lower damages. Furthermore, we can set the Customer an extension of time of 14 days and after the fruitless expiry of the extension, we may withdraw from the contract or claim damage compensation in lieu of performance.
3. At the request of the Customer we shall insure the goods against theft, breakage, damage transport, fire and water as well as other insurable risks.
4. If despatch is delayed as a result of reasons caused by the Customer the risk of accidental destruction or accidental deterioration of the goods also passes to the Customer.
5. The goods must be accepted by the Customer even if they have immaterial defects; the rights of the Customer under Paragraph VIII. remain unaffected.
6. Partial deliveries are permitted if:
 - partial delivery is suitable for the Customer in the context of the contractual purpose,
 - the delivery of the remaining goods ordered will be conducted, and
 - the Customer does not have to bear considerable expenses or additional costs as a result unless we say that we are willing to assume these costs.

VI. Retention of Title

1. All delivered goods shall remain our property (retained goods) until the Customer has settled all claims existing and arising following the conclusion of the contract.
2. Any treatment or processing of the retained goods shall take place for us as manufacturer within the meaning of § 950 German Civil Code, without any obligation on our part. Treated and processed goods shall be deemed retained goods pursuant to Paragraph VI. no. 1. If the Customer carries out any treatment, processing, combination or mixing of the retained goods

General Terms and Conditions of Sale

with goods from another source to make a new item or mixed item respectively, we are entitled to co-ownership in proportion to the invoice value of the retained goods at the time of delivery as against the value of the other processed or mixed goods. The co-ownership share shall be deemed to be retained goods pursuant to Paragraph VI. no. 1.

3. If the retained goods are combined with other things and one of the things which belongs to the Customer can be regarded as the principal thing within the meaning of § 947 BGB, it is hereby agreed that a co-ownership share in proportion to the invoice value of the retained goods as against the value of the principal thing shall be assigned to us and the Customer shall preserve it for us free of charge. The co-ownership share shall be deemed to be retained goods pursuant to Paragraph VI. no.1.
4. The Customer must preserve the retained goods for us. Upon request at any time in the place of storage, we shall have the possibility of carrying out stock taking and sufficient labelling. The Customer shall inform us without delay of all details of any distraint or derogation of our rights by third parties so that we may use all legal means to prevent this from happening.
5. The Customer may only sell the retained goods in the normal course of business under its normal conditions and under an agreement as to a retention of title, if it is guaranteed that the Customer's claims under this further sale are assigned to us in accordance with Paragraph VI. no. 6 to Paragraph VI. no. 8.
6. The Customer hereby assigns to us any claims arising out of the further sale of the retained goods as well as in the context of contracts for services or contracts for works and materials together with all ancillary rights. These shall serve to the same extent as our security for the retained goods. The Customer may only assign the claims to a third party with our prior written consent.
7. If the Customer sells the retained goods together with other goods which were not supplied by us, the assignment of the claims arising out of the further sale shall only be up to the value of the invoice value of our retained goods at the time of the delivery. In the case of the sale of goods in which we co-ownership shares pursuant to Paragraph VI. no. 2 and/or Paragraph VI. no. 3 respectively, the assignment of claims shall only be up to this co-owned share.
8. If the assigned claim is included in an ongoing invoice, the Customer shall hereby transfer a portion of the balance in an amount corresponding to this claim, including the final balance, to us.
9. Until revocation, the Customer is entitled to make any claims arising out of further sales pursuant to Paragraph VI. no. 5 to Paragraph VI. no. 7.
10. If the Customer fails to fulfil its obligations under these terms and condition of sale, then
- we may prohibit the further sale, treatment, processing as well as mixing or combination of the retained goods with other goods;

General Terms and Conditions of Sale

- we can withdraw from the contract with the Customer; then the Customer's right of possession in the retained goods shall expire and we can demand the retained goods; we are then entitled to enter the Customer's premises and take possession of the retained goods at the cost of the Customer, and, without prejudice to Customer's payment and other obligations, can dispose of the retained goods in the best way possible by means of a free sale or auction; the proceeds of the sale shall be credited to the Customer after the deduction of costs arising from his obligations; any possible surplus will be paid out to the Customer; and
 - the Customer shall inform us on demand of the name of the debtor of the claims that have been assigned to us so that we can disclose the assignment and draw on the claims; all proceeds due to us out of assignments shall be forwarded to us directly after receipt if and as soon as our claims against the Customer fall due;
11. If the value of the security to which we are entitled exceeds the aggregate claims by more than 20 %, we are obliged to release security of our choice to this extent at the request of the Customer.

VII. Confidentiality

1. The Customer shall not make confidential information from us indirectly or directly available to third parties up until the expiry of three (3) years after receipt of the corresponding information, and shall further not use such information for purposes which do not serve the cooperation. Confidential information shall be (i) all information concerning the payment agreed between the Parties, (ii) all information concerning details of the corresponding sale contract, (iii) all technical information and know-how made available to the Customer concerning the goods purchased from us as well as (iv) other information which we designate as confidential.
2. The obligation of confidentiality does not apply to information that becomes publicly known without the Customer breaching its confidentiality undertaking, or which is made available to third parties on the basis of statutory, judicial or public authority orders.

VIII. Warranty for Defects

1. The Customer is only entitled to rights under the warranty if it has first properly complied with its obligations to inspect for and notify defects pursuant to § 377 HGB (German Commercial Code).
2. Damages occurring during transport must be immediately notified to the carrier; the notification obligations under the German Freight Forwarders Standard Terms and Conditions shall apply to this extent.

General Terms and Conditions of Sale

3. Insofar as there is a defect in the goods that we have caused we can choose to remedy or replace the goods.
4. In the event that the remedy or replacement fails, the Customer is entitled at its option to withdraw from the contract or to claim a corresponding reduction in the purchase price. If the Customer chooses to withdraw after a failed attempt to cure the goods, the Customer cannot claim damage compensation in respect of the defect.
5. Our warranty obligation is in any event excluded if the damages arise from unsuitable or improper use, faulty installation or start-up by the Customer or third parties, normal wear and tear, faulty or negligent handling and/or maintenance, unsuitable material, unsuitable substitute material, faulty construction work, unsuitable foundations, chemical, electrochemical or electric influences, to the extent that we are not responsible for the above-mentioned circumstances.
6. To the extent that there is no bad faith on our part or we have not granted a guarantee in relation to the quality of the goods, the above provisions contain the only warranty for our goods. In particular, our liability for all defects due to or in connection with the delivered goods on whichever legal ground, shall be exclusively determined by Paragraph IX. below.
7. Warranty claims by the Customer must be made within one (1) year from the delivery of the goods. This shall not apply in cases of bad faith and where a guarantee has been granted.
8. We recommend to carry out inspections and warranties exclusively through our employees.

IX. Liability

1. We are liable without limitation for damages arising from injury to life, body or health, resulting from a breach of obligation committed by us, one of our statutory representatives or our vicarious agents, as well as for damages caused by the absence of a quality guaranteed by us or malicious conduct on our part.
2. We are liable without limitation for damages caused by the deliberate acts or gross negligence of ourselves, our statutory representatives or vicarious agents.
3. Where a breach of an essential contractual obligation is caused by slight negligence, we are only liable, except in cases under Paragraph IX. no. 1 or Paragraph IX. no. 4, for typically foreseeable damages. Essential contractual obligations are abstractly those obligations which must be fulfilled to enable the proper performance of the contract, and those upon which the contractual parties may rely on.
4. Liabilities under the Product Liability Act remain unaffected.
5. Our liability is otherwise excluded.
6. Except in cases under Paragraph IX. no. 1, Paragraph IX no. 2 or Paragraph IX. no. 4 our liability for claims for compensation is limited to one (1) year.

General Terms and Conditions of Sale

X. Miscellaneous

1. Jurisdiction for all disputes in connection with the delivery transaction is at our option Hamburg or the registered office of the Customer, and for claims made by the Customer, jurisdiction shall be exclusively Hamburg. Statutory rules for exclusive jurisdiction shall be unaffected. This agreement as to jurisdiction does not apply to Customers who are not entrepreneurs.
2. Unless otherwise stated in the order, place of performance shall be our place of business.
3. For contracts with Customers who do not have their registered office in the territory of the Federal Republic of Germany, German law, with the exception of the German International Private law, shall apply unless otherwise agreed. The UN Convention on Contracts for the International Sale of Goods (CISG) as well as other future bilateral or international agreements shall not be applicable even after their incorporation into German law.
4. All agreements made between us and the Customer in the implementation of this contract shall be made in writing.
5. The Customer shall not assign any claims under this contract to third parties without our written consent.
6. Transactions with legal public entities and trusts are regarded as transactions with entrepreneurs.