



Refractory assembly
Engineering
Refractory building materials
Chimney construction

General Standard Terms and Conditions

Version 1st January, 2015

A long-term and permanent business relationship is not based on terms of delivery and payment, but on cooperation and mutual trust.

Nevertheless, we are obliged to clarify some points regarding business transactions with our customers in deviation from and as supplement to the legal provisions and at the same time contradictions to general terms and conditions of purchasing or ordering.

Our "General Standard Terms and Conditions" relate to the assembly work in refractory construction and chimney construction as well as to the sale of all related materials, manufacturing supplies and the accompanying services and deliveries.

The following General Terms and Conditions include

A. ASSEMBLY CONDITIONS

for refractory construction and chimney construction work

B. CONDITIONS OF SALE AND DELIVERY

for refractory materials

C. GENERAL

We expressly contradict all provisions deviating from these General Terms and Conditions, in particular General Terms and Conditions of the customer or buyer. They will not become subject of the contractual relationship. Any deviations will only apply if the contractor or seller has provided a written confirmation. These General Terms and Conditions shall be deemed to be acknowledged by the customer or buyer at the latest as soon as the customer or buyer takes possession of the goods or makes use of the contractor's or seller's services.

A) Assembly conditions for refractory construction and chimney construction work in commercial business

Preamble

Refractory construction and chimney construction work is a construction service of a special nature.

This special nature comprises, among other things, the following:

1. The construction service in refractory construction and chimney construction is a partial service, whose total completion is the precondition for the operability of the whole installation;
2. The spectrum of the operating conditions is extremely broad and changes relatively quickly in the wake of technological change;
3. The possible construction methods are covered by DIN norms only to a small degree;
4. Part C of the VOB does not include any general technical specifications in construction contracts (ATV) for refractory construction and chimney construction;
5. Mostly, the value of this construction service does not only account for a very small part of the value of the whole installation;
6. Even minor defects can cause the breakdown of the whole installation;
7. The lining of an installation is a wear part. The life span can be shorter than the guarantee period.
8. As a rule, no work can be done at the building during the operation of the installation.

Taking into consideration the special conditions in the refractory construction and in the chimney construction, the following terms of contract apply:

1. Elements of the contract

Elements of the contract for the execution of the order are:

- 1.1. the offer;
- 1.2. the General Standard Terms and Conditions for refractory construction and chimney construction work in the commercial business (domestic) of the customer, consisting of the parts assembly conditions, conditions of sale and delivery, and general;
- 1.3. the Tendering and Contract Regulations for the Provision of Construction Services in Germany (VOB) Parts B and C.

In case of contradiction to individual terms, the elements of the contract apply in the aforementioned order.

2. Offer

The offer services and the offer price are based on the customer's specifications with regard to numbers 0.1 (specifications on the construction site) and 0.2 (specifications on the manufacturing) of DIN 18 299 (general rules applying to all types of construction work) VOB Part C, in particular with regard to the following points:

- 2.1.1 Type and composition of the ground
- 2.1.2 Special difficulties during the work, e.g. work in premises with ongoing business of the customer, work under extraordinary temperature or air conditions (dust, gases).
- 2.1.3 Operating conditions of the construction service, e.g. temperatures, chemical and mechanical strains, furnace atmosphere, exhaust gas quantities.

The contractor assumes normal conditions unless the customer has made special specifications regarding the construction site or the execution.

Normal conditions include in particular:

- 2.1.4 Streets and squares are suitable to be used by street vehicles,
- 2.1.5 Supplies for electricity and water are close to the point of use (maximum 50 m).
- 2.1.6 If there are no specifications on the composition and contamination of the waste products of the installation, the offer assumes that these waste products can be deposited at a class II site (in the sense of the TA domestic waste) (or equivalently in the sense of these provisions in the case of change of regulations). This includes only those waste products that accumulate as a result of the demolition work ordered.
- 2.2 Unless otherwise agreed, the contractor is bound to his offer for a period of six weeks.
- 2.3 The offer is based on the wages, non-wage labour costs, material prices, freight costs and fiscal charges applicable at the time of

tendering. The prices of the offer are to be understood as net prices plus the respective legal value added tax. If this basis changes, the contractor will have the right to enter into subsequent negotiations about an adjustment of the prices even after the conclusion of the contract.

- 2.4 All documents that are given to the customer remain in the contractor's possession. Without his express consent, they must neither be published nor copied nor used for any purposes other than those intended for their original purpose. Documents, plans or drawings that were handed over may not be used for subsequent deliveries, extensions, changes or repairs. The customer expressly acknowledges the bidder's or contractor's existing copyrights. The customer may make these documents, plans or drawings available to third parties only with the written consent of the contractor.

3. Deliveries and services of the contractor

The offer price includes the following deliveries and services of the contractor (if they are to be considered according to the order conditions):

- 3.1 Making available all necessary instruments, scaffoldings, hoisting equipment, means of transportation and tools free construction site;
- 3.2 Delivery of all construction materials and construction-related materials required for the execution free construction site as well as their processing;
- 3.3 Making available supervisory personnel as well as specialists and assistants;
- 3.4 Unloading and storage of all construction materials and construction-related materials, instruments, scaffoldings, hoisting equipment, means of transportation and tools required for the execution and ordered by the customer at the construction site, and transport to the point of use. If the way of transport to the point of use is longer than 50 m, additional agreements will have to be made;
- 3.5 The offer prices are based on the regular weekly working time of the Federal Collective Wage Agreement for the Construction Business in the respective applicable version. Additional work, night work or work on public holidays demanded by the customer is undertaken for an extra charge, unless the contractor is responsible for it. Another precondition is that this work is reasonable;
- 3.6 If the execution of the work is done by daily paid workers, the costs for the equipment of the construction site and for the delivery of the necessary instruments and construction materials are determined and calculated separately;

4. Deliveries and services of the customer

The customer renders the following services without charging them:

- 4.1 Sufficient space for the construction site equipment and for storing the materials, weather protected storage areas for sensitive building materials close to the point of use;
- 4.2 Joint use of existing transportation ways even for heavy street vehicles;
- 4.3 Delivery of electricity for instruments, energy for light and heating of the construction site accommodations, and water of drinking water quality (including disposal). Moreover, compressed air is made available. All connections must be close to the point of supply;
- 4.4 Sanitary facilities for the construction site personnel.
- 4.5 In the case of accidents and injuries, the sanitary facilities of the customer can be used by the personnel of the contractor.
- 4.6 When dry-heating or heating up the installation, the customer must observe the temperature change times specifications made by the contractor; if need be, he must acquire them from the contractor.
- 4.7 The customer bears the costs for inspection tests and extra-contractual services.
- 4.8 On demand, the customer provides the contractor with a collateral for the performance of the contract in the form of a guarantee by a large German bank.

5. Obstructions and interruptions, delay

- 5.1 The customer has to immediately inform the contractor in writing about any circumstances that become known to him that can delay, obstruct or interrupt the execution of the services according to the contract.
- 5.2 In the case of extraordinary circumstances outside the sphere of risk of the contractor, the period for the execution of the service is

correspondingly prolonged. These extraordinary circumstances include any event outside the influence of the contractor that obstructs or delays the performance of the service permanently or partially. Claims from § 6 VOB/B remain unaffected by this. The agreement of a conventional penalty is not ruled out by this.

- 5.3 The contractor's liability for delay which is not based on intent or gross negligence is limited to a maximum of 5 % of the order amount.
- 5.4 Both damage claims by the customer due to delay of the service and damage claims instead of the service are ruled out in all cases of delayed service that go beyond the aforementioned limit. This does not apply if there is a compulsory liability in cases of intent, of gross negligence, or of violation of life, body or health. Within the framework of the legal provisions, the customer can repudiate the contract only if the contractor is responsible for the delay.
- 5.5 Completion dates are only binding if they have been agreed upon in writing.

6. Warranty and liability

- 6.1 The contractor renders his service in a way that it is free of defects of quality at the time of the final inspection. The service is free of defects of quality at the time of the final inspection if it has the agreed quality or corresponds to the acknowledged rules of technology. If no quality has been agreed upon, the service is free of defects of quality at the time of inspection if

a) it is suitable for the use stipulated in the contract or

b) it is suitable for the usual use and has a quality which is common for works of the same nature and which the customer can expect according to the kind of service (§ 13 No. 1 VOB/B). In the juristic sense, an agreed quality is deemed to be "guaranteed" only if this has been expressly agreed upon between customer and contractor in writing and with the use of the term "guaranteed/guarantee".

If the acknowledged rules of technology change between tendering and final inspection of the work, the service concerned will have to be changed, unless other agreements are made. Additional services have to be remunerated by the customer, services not carried out have to be credited to him.

- 6.2 The contractor is liable only for the materials and assembly parts delivered by him as well as for the services rendered by him. Otherwise, § 13 No. 3 VOB/B remains unaffected. A warranty is ruled out insofar as new refractory materials are installed, within the framework of a repair measure, into old or used materials that have been exposed to fire, if it is impossible to make a clear distinction.
- 6.3 In principle, the period of limitation for warranty claims for fire-prone and exhaust-gas-blocking parts of industrial furnace installations is one year according to § 13 No. 4 clause 2 VOB/B. For highly stressed parts of the refractory lining, shorter periods of limitation for the warranty have to be agreed upon; if no agreement has been made, the period is six months, starting with the final inspection. The period of limitation for fault correction measures always ends with the expiration of the period of limitation for the warranty. However, it is at least three months. The warranty period for independent repair orders has to be agreed upon separately; if no agreement has been made, the periods mentioned in this paragraph will apply. The period starts with the final inspection. If the final inspection of the finished service is delayed, the limitation will start with the first heating-up; if there is no heating-up, it will start with the commissioning, but two months after the invitation to the final inspection at the latest; if there is no such invitation, two months after the announcement of completion at the latest.
- 6.4 If the acknowledged rules of technology have changed since the final inspection of the work and if the contractor is liable for fault correction, the contractor will have to adjust the relevant construction service according to the latest development of the acknowledged rules of technology in the wake of the fault correction, unless other agreements are made. Additional services have to be remunerated by the customer, services not carried out have to be credited to him.
- 6.5 The contractor is liable for damages according to § 13 No. 7 paragraph 3 clause 1 VOB/B only within the framework of the construction service rendered by him.
- 6.6 He has to compensate damages in excess of this according to § 13 No. 7 paragraph 3 clause 2 VOB/B only if the fault is due to intent or

gross negligence. This does not apply if the fault leads to a violation of life, body or health.

- 6.7 Normal wear and tear and such external changes that are irrelevant for the operation of the installation, as well as damages resulting from improper treatment by third parties or by the customer during the drying, the commissioning, the shutting down or the operation of the installation are not the subject of damage claims.
- 6.8 If damage claims are raised, the customer has to prove that the operating conditions as laid down in the contract were maintained. This proof is not necessary if the customer proves instead that the damage incurred has no connection with the operating conditions. If the customer's complaints are proven to be unfounded, he will have to bear the resulting costs.
- 6.9 The contractor does not assume any liability for damages occurring within the framework of repair work on objects or installation parts due to processing. This applies in particular to demolition work or chisel work on steel or tube walls as well as boilers under pressure and containers in which old material and anchoring has to be detached.

7. Passage of ownership

- 7.1 Delivered building materials that have not been installed will remain in the ownership of the contractor.
- 7.2 If conditional goods are installed by the contractor as a fundamental component on the property of the customer, then the customer already now assigns the claims arising from the disposal of the property and from property rights to the extent of the value of the conditional goods with all subsidiary rights and with priority above the rest. The contractor accepts the assignment.

B) Conditions of sale and delivery for refractory materials

1. Offers and prices

- 1.1 The seller's offers are valid for a period of four weeks, unless other agreements have been made.
- 1.2 The agreed prices apply to deliveries and services. In the case of agreements which include periods of delivery and payment of more than four months after conclusion of the contract, negotiations about a price adjustment must be made if the prices for the total material required have risen since the conclusion of the contract or if value added tax is subject to change. The prices are to be understood ex works excluding packaging plus the respectively applicable legal value added tax. If the contractor has taken on the installation or assembly and if no other agreements have been made, the customer will bear, apart from the agreed remuneration, all necessary incidental expenses, such as travelling expenses, costs for the transport of instruments and of personal baggage as well as releases. Payments are to be made free domicile of the contractor.
- 1.3 Subsequent changes to the order entitle the seller to charge the buyer the arising additional costs.
- 1.4 The buyer can only offset against claims that are undisputed and legally enforceable.

2. Delivery

- 2.1 Deliveries are made to the agreed place; if the instructions change, the buyer will bear the costs. Delivery free construction site or free warehouse means delivery without unloading under the precondition of an access route open to heavy trucks and trailers. If the delivery vehicle leaves the open access road on the instruction of the buyer, he will be held liable for any damages. In the case of a mere delivery of goods, the unloading has to be carried out immediately and properly by the buyer. Waiting periods will be charged to the buyer.
- 2.2 Compliance with the agreed period of delivery requires the timely reception of all documents to be supplied by the buyer, of the necessary approvals and releases, in particular of plans, as well as compliance with the agreed terms of payment and other obligations on the part of the buyer. The agreed period of delivery begins only at the date of the seller's confirmation of the order. The delivery time has been met if the goods have left the supplier's factory before the expiration of the delivery time, or if it is ready for shipment in the supplier's factory in the case of prevention of shipment arising through no fault of the seller. In the case of a sale of goods to be delivered on request, the quantities and the delivery dates have to

- be agreed upon for each request. Periods of delivery apply only if the seller had promised binding periods of delivery in writing.
- 2.3 If the non-compliance with agreed periods is due to acts of God, e.g. mobilisation, war, uprisings, or similar events, e.g. strike or lockout, the periods of delivery will be prolonged appropriately. The seller will immediately inform the buyer about the delay. If the delay takes an inappropriate length of time, each party to the contract can repudiate, without compensation for damage, the part of the contract that has not yet been fulfilled. Otherwise, the buyer is obliged to compensate for the arising expenses for the part of the contract that has not yet been fulfilled against the transfer of processed or unprocessed materials.
- 2.4 If the object of the delivery cannot be dispatched or taken delivery of at the date agreed in the contract due to circumstances for which the seller is not responsible, the risk passes to the buyer at the time when he receives the notification of readiness for shipment. The seller will immediately inform the buyer about the delay. Storage costs are borne by the buyer. Otherwise, the risk passes to the buyer as soon as the consignment is handed over to the person carrying out the transport or has left the seller's warehouse for shipment.
- 2.5 If the buyer ultimately refuses the delivery of the goods or the fulfilment of the contract, the seller is entitled, irrespective of any other claims, to demand a lump sum of 20 % of the remuneration agreed in the contract as a compensation of his costs to allow for a claim for compensation of the damage, but without proof of the latter. The buyer may furnish proof that the seller had no or only significantly smaller damages.
- 3. Manufacturing and dispatch**
- 3.1 The buyer has to take over and pay for those bricks that were manufactured in excess of the ordered number – in particular due to risk of breakage – up to 5 % of the ordered number of items per position, but more than 5 % if the items are difficult profiled bricks or if there are less than 100 items per position.
- 3.2 The tolerances given by the seller, e.g. in catalogues, in particular for dimensional deviations and deflections, are allowable for the refractory bricks. Other characteristics mentioned by the seller, in particular in catalogues, are deemed to be ensured or guaranteed only if the seller expressly confirms in writing that he ensures or guarantees the goods. Sample bricks are deemed to be only indications.
- 3.3 The forms required for the production of the bricks remain in the possession of the seller, even if the buyer pays a share in the production of the forms. Wooden forms are kept for two years, metal forms for five years, counting from the date of the first delivery.
- 3.4 The dispatch is carried out at the buyer's risk, even if a prepaid transport or transport at no charge has been agreed upon. The freight has to be advanced by the buyer.
- 3.5 As a rule, the dispatch is ex works.
- 3.6 If goods that are ready for shipment remain available to the buyer beyond the agreed delivery date for reasons for which the seller is not responsible, the invoice can be made out and payment can be demanded immediately. The goods will then be stored at the buyer's expense and risk. The seller's right to ask the buyer to take over the goods remains unaffected by this.
- 4. Warranty**
- 4.1 The buyer has to give written notice of defects immediately after discovering the defects. The buyer can make formal complaints regarding the weight, the number, or the external quality of the goods only immediately, but at the latest 14 days after reception of the goods. Other formal complaints can only be taken into consideration if the seller receives them within three months after reception of the goods. Characteristics of the goods that were checked by the buyer before the dispatch and were not the subject of a complaint cannot be subject to a complaint at a later date. Defects that can be discovered immediately after the reception of the goods can no longer be subject to complaint after resale, processing or installation of the goods.
- 4.2 Claims from any defects of the delivery can only relate to the individual defective items, unless a final inspection with a statistical quality control has been agreed upon. If a final inspection by the seller has been agreed upon, this will be carried out in the form of a statistical quality control at the producer's plant; defects of

individual sample items within the framework of the agreed acceptable quality control (AQL) do not entitle the buyer to make a formal complaint. If there are defects that go beyond the AQL, the seller has to sort out and to replace the defective pieces as far as possible. After that, another control has to be carried out. If there are again defects that go beyond the AQL or if it is impossible to replace the defective items, the buyer can refuse to accept the whole inspected lot. If an agent of the buyer was given the opportunity to take part in a control with a positive result, this will rule out later complaints with regard to the inspected characteristics of the goods. If the buyer carries out an agreed final inspection in a form other than that of a statistical quality control, the buyer can only lodge a complaint about such defects that could not be observed during the final inspection.

- 4.3 The seller is liable for defects of quality as follows:
The seller shall, at his own option, repair, newly deliver or newly render all those items or services which show a quality defect, free of charge, within the period of limitation, provided that the reason for this defect already existed at the time of the passage of risk. Warranty claims for quality defects become statute-barred within 12 months. This does not apply if the law prescribes longer or shorter periods or in cases of violation of life, body or health, in the case of the seller's intentional or gross neglect of duty, or in the case of malicious non-disclosure of a defect. The legal regulations pertaining to accumulated suspensions, suspensions and re-start of the Statute of Limitations remain unaffected. In the case of formal complaints, payments can be retained by the buyer to an extent which corresponds appropriately to the proven defects of quality. The buyer can retain payments only if he has lodged a formal complaint which is undoubtedly justified. If the formal complaint was made without justification, the seller is entitled to claim compensation from the buyer for the incurred expenses. The buyer's claims resulting from the expenses required for subsequent fulfilment, in particular transport, travelling expenses, labour costs and costs of materials, are ruled out insofar as the expenses have increased because the object of delivery has subsequently been transferred to another place than the buyer's place of business, unless this transfer corresponds to a use according to the terms of the contract.

5. Impossibility, adjustment of contract

- 5.1 If the delivery is impossible, the buyer is entitled to claim damages, unless the seller is not responsible for the impossibility. However, the buyer's claim for damages is limited to 10 % of the value of that part of the service that cannot be used appropriately because of the impossibility. This limitation does not apply if the liability is statutory in cases of intent, gross negligence, or because of violation to life, body or health; a modification of the burden of proof to the disadvantage of the buyer is not associated with the above regulations. The buyer's right to withdraw from the contract remains unaffected.
- 5.2 If unpredictable events according to the above-mentioned regulations change the economic significance or the content of the delivery considerably or if they have significant impact on the seller's business, the contract will be adjusted appropriately according to the requirements of good faith. If this is economically indefensible, the seller is entitled to withdraw from the contract. If he wants to make use of this right of withdrawal, he has to inform the buyer immediately after he has recognised the consequences of the event, even if he had first agreed with the buyer upon a change of the delivery period.

6. Other claims for damages

- 6.1 Claims for damages and for reimbursement of expenses on the part of the buyer (in the following claims for damages), regardless of legal reason, in particular due to violation of commitments from the debt obligation and from tortious act are excluded.
- 6.2 This does not apply in the case of statutory liability, e.g. according to the Product Liability Act, in cases of intent, gross negligence, due to violation of life, body or health, and due to violations of substantial contract terms. However, the claim for damages for the violation of substantial contract terms is limited to the contract-typical, predictable damage, in so far as there is no intent or gross negligence or the liability is not due to violation of life, body or health. A modification of the burden of proof to the disadvantage of the buyer is not associated with the above-mentioned regulation.

6.3 In so far as the buyer is entitled to claims for damages according to this paragraph, these become statute-barred after the expiration of the limitation period stipulated for quality defect claims. The statutory limitation rules apply to claims for damages according to the Product Liability Act.

7. Reservations of title

- 7.1 The objects of the delivery (conditional goods) remain in the possession of the seller until all his claims against the buyer arising out of the business relationship are completely satisfied. If the value of all security rights the contractor is entitled to exceeds the amount of all secured claims by more than 20%, the contractor will, on the buyer's request, release his corresponding part of the asset serving as collateral.
- 7.2 As long as the reservation of title exists, the buyer shall be prohibited from pledging or transfer by way of security. The resale is only allowed in the case of resales in the ordinary course of business and only on condition that the reseller receives payment from his customers and, in addition, applies the reservation that the property will be transferred to the customer only as soon as he has met his payment obligations.
- 7.3 In the case of attachments, seizures, other dispositions or interferences by third parties, the buyer has to inform the seller immediately.
- 7.4 In the case of breaches of duty on the part of the buyer, in particular in the case of default, the seller is entitled to withdrawal and revocation after the unsuccessful expiration of an appropriate performance period set for the buyer; the legal provisions regarding the dispensability of fixing a time limit remain unaffected. The buyer is obliged to surrender possession.
- 7.5 If the buyer processes conditional goods into a new movable article, then the processing is carried out for the seller without this giving rise to any obligation on the part of the seller; the new property becomes the possession of the seller. If the processing is carried out together with goods belonging to the buyer, the seller shall acquire a co-ownership in the new property according to the proportion of the value of the conditional good to the value of the other goods at the time of processing. If the conditional goods are amalgamated, combined or blended with goods not belonging to the buyer, the seller becomes co-owner according to the legal provisions. If the buyer acquires the sole ownership by amalgamation, combining or blending, he already now passes co-ownership to the seller according to the proportion of the value of the conditional goods to the value of the other goods at the time of amalgamation, combining or blending. In such cases, the buyer shall keep in safe custody, free of charge, the goods in which the seller has ownership or co-ownership, and which are also regarded as conditional goods according to the following regulations.
- 7.6 If the buyer sells conditional goods either individually or together with goods not belonging to the seller, then the buyer already now assigns the claims arising from the resale to the extent of the value of the conditional goods with all subsidiary rights and with priority above the rest. The seller accepts the assignment. The value of the conditional commodity is the amount of the seller's invoice plus an additional security surcharge of 10%, which remains out of account, however, as far as third-party rights are concerned. If the resold conditional goods are in the co-ownership of the seller, then the assignment of the claim applies to the amount that corresponds to the seller's share in the co-ownership.
- 7.7 If conditional goods are installed by the buyer as a fundamental component on the property of a third party, then the buyer already now assigns the claims for remuneration arising against the third party or against the party concerned to the extent of the value of the conditional goods with all subsidiary rights, including the right to be granted a collateral mortgage, and with priority above the rest. The seller accepts the assignment. The above paragraphs apply correspondingly.
- 7.8 If conditional goods are installed by the seller as a fundamental part on the buyer's property, the buyer already now assigns the claims arising from the sale of the property and of property rights to the extent of the value of the conditional goods with all subsidiary rights and with priority above the rest. The seller accepts the assignment. The above paragraphs apply correspondingly.
- 7.9 The buyer is only entitled and authorised to resell, to utilise or to install the conditional goods in the course of regular, proper business activity and only on the condition that claims actually

transfer to the seller according to the above paragraphs. The buyer is not entitled to use the conditional goods in other ways, in particular to pledge them or to assign them as security.

- 7.10 With the proviso of cancellation, the seller authorises the buyer to collect the assigned claims mentioned in the paragraphs above. The seller will refrain from exercising his own collection authority as long as the buyer meets his payment obligations, also towards third parties. Upon the seller's request, the buyer shall name the debtors of the assigned claims and to notify them about the assignment; the seller is entitled to notify the debtors about the assignment himself.

8. Return of goods

- 8.1 In the case of cancellation or return of goods delivered, the seller is entitled to compensation for expenses, transfer for use and decline in value.
- 8.2 Expenses, transport and assembly costs resulting from the contract shall be refunded by the buyer to the extent previously paid.

C) General

1. Payment

- 1.1 After the contract service has been rendered by the contractor / seller, the payment has to be effected immediately and without deduction, unless expressly agreed upon otherwise.
- 1.2 The contractor / seller is expressly entitled to interim payments which are immediately due and have to be paid by the customer immediately.
- 1.3 Payments by bill of exchange are only allowed in the case of a separate agreement. Bills of exchange and cheques are only accepted on account of payment, but not in lieu of payment. Bill charges and bill stamp duties are charged to the customer / buyer. In the case of a cheque or bill protest, the contractor / seller may demand the immediate payment, even if the papers fall due later, against returning the cheque or bill of exchange contemporaneously.
- 1.4 In the case of a default in payment, the interests and costs have to be refunded. The contractor / seller can demand a minimum rate of 5 % above the respective basic interest rate, in the entrepreneurial business a minimum rate of 8% above the respective basic interest rate. The asserting of claims for larger damages remains expressly reserved.
- 1.5 In the case of financial difficulties of the customer / buyer, in particular in the case of default, cheque or bill protest, the contractor / seller is entitled to carry out further deliveries only against cash in advance. All unpaid and deferred invoices become immediately due. Cash payment and provision of security have to be demanded against return of bills of exchange accepted on account of payment.
- 1.6 The offset with counterclaims is only permitted in so far as it is offset with an undisputed and legally enforceable claim.
- 1.7 The above-mentioned conditions also apply to payments for partial deliveries.

2. Place of jurisdiction and applicable law

- 2.1 If the buyer is a businessman, the sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is the place of business of the contractor / seller. However, the contractor / seller is also entitled to sue at the place of business of the customer / buyer.
- 2.2 The place of performance of the contract is the place of business of the contractor / seller.
- 2.3 German substantive law applies to the legal relations in connection with this contract, with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

3. Other agreements

- 3.1 Should individual regulations of the above-mentioned conditions prove to be ineffective, this will not affect the effectiveness of the other conditions. The contracting parties are required to reach an agreement that replaces the ineffective regulations with an effective regulation whose economic success matches that of the ineffective regulation as closely as possible.