
KABELWERK EUPEN AG

Malmedyer Strasse 9
4700 Eupen (Belgium)

GENERAL SALES CONDITIONS

I. Preliminary

KABELWERK EUPEN AG, hereafter called "Vendor" undertakes to supply Buyer with its products in accordance with the present conditions, which constitute the entire agreement of the parties, notwithstanding any clause to the contrary stated in Buyer's order or otherwise, except as otherwise especially stated in writing and assented to in writing by an authorized representative of the Vendor.

II. Delivery and transfer of risks

Products which are made available at Vendor's plant are deemed delivered, unless stated otherwise. Products will be transported at Buyer's risks. Any claim regarding the invoice shall be addressed by Buyer to Vendor within 14 days following date of the invoice. After such term, Buyer will be considered as waiving all his rights with respect to any claim.

III. Invoicing and payment

Goods will be invoiced to Buyer either on expedition date or on the date they are made available at Vendor's plant, Eupen, Belgium. If Buyer lacks giving any delivery instructions, Vendor may deliver and invoice a quantity of goods inferior or superior - with a 10% maximum tolerance - to the specific ordered quantity, except for contrary express clause embodied in this contract. Unless stated otherwise, prices and payment conditions are free Vendor's plant, Eupen, Belgium, including packing costs. Unless credit terms are stated herein, Invoices are to be paid cash at the date of their issuance, at the Vendor's address, net and free of any discount, unless stipulated otherwise in the special sales conditions.

IV. Penalties for delays in delivery

In case that Buyer insists on penalties for late deliveries, such penalties are limited to 0,5% of the FOB value of the non delivered goods for each full week of delay with a maximum of 5% of the value of the non delivered products. No penalty shall be payable to Buyer in case of non delivery for reasons of "force majeure" or any event beyond the control of Vendor.

V. Warranty

Vendor warrants its products against faulty workmanship and use of defective materials for a period of twelve months from the date of installation of the goods and at the latest for a period of 18 months from the date of delivery to Buyer or shipment. Vendor's obligation under this warranty is limited to the repair or at its option to the replacement of the concerned cable length and shall in no event exceed the purchase price of the non conforming cable. Vendor is not liable in any way for consequential losses or damages.

VI. Property of the material - retention of title

The products shall remain the property of the Vendor until each and every claim against the Buyer to which the Vendor is entitled under this business relationship has been duly satisfied.

For the duration of the retention of title, the Buyer is prohibited from giving the products in pledge or as security, and resale shall be permissible only to resellers in the ordinary course of business and only on condition that the reseller receives payment from his customer or retains title so that the property is transferred to the customer only after fulfilment of his obligation to pay.

In case of seizure or other acts or interventions by third parties, the Vendor shall be immediately informed thereof in writing by the Buyer.

In cases of fundamental non-performance of contractual obligations by the Buyer, especially a delay in payment, the Vendor shall be entitled to take back the products, totally or partly. The Buyer shall be obliged to return the purchased products. The taking back, the assertion of the retention of title or the seizure of the Secured Goods by the Vendor does not mean termination of the contract except if expressly stated by the Vendor.

VII. Litigation

This contract is governed by Belgian Law. In case of litigation, the Courts of Eupen will have exclusive jurisdiction.

VIII. Final remark

The conditions of supply, other than those mentioned herein, shall be in accordance with INCOTERMS.

Eupen, January 16th 2001
