I. Definition/Scope

1. Our Standard Terms and Conditions of Sale shall apply exclusively; any conflicting or deviating terms and conditions of the Buyer shall not be recognised by us, unless we have expressly agreed to their validity in writing. Our Standard Terms and Conditions of Sale shall apply even if we make the delivery to the Buyer without reservation, in full awareness of conflicting or deviating terms and conditions of the Buyer.

2. Agreements between us and the Buyer shall not be binding unless they have been confirmed in writing by us. In the event of framework agreements, individual calls shall be exempted from the requirement of the written form.

3. Our Standard Terms and Conditions of Sale shall also apply to all future transactions with the Buyer.

4. Our Standard Terms and Conditions shall only apply to merchants within the meaning of § 310 para. 1 BGB (German Civil Code).

II. Conclusion of contract, offer documents

1. An order shall not be deemed to have been accepted unless it has been confirmed by us through a written confirmation of order.

2. The transmission of offers, price lists, circular letters or general proposals shall not be deemed to be a binding offer within the meaning of § 145 BGB.

3. We shall reserve property rights and copyrights in respect of cost estimates, draft, drawings and other documents; they may not be made accessible to third parties.

III. Prices/terms of payment

1. Unless otherwise stipulated in the confirmation of order, our prices shall be deemed to be "ex works". Inner packaging such as films shall not be invoiced. Outer packaging and overpacks shall be invoiced at cost. Normal boxes shall be credited at two-thirds of their value, jute bags at their full value in the event of prepaid return in a usable condition. No compensation shall be paid for returns of any other packages.

2. We reserve the right to increase our prices accordingly, if cost increases occur after the conclusion of the contract, particularly as a result of collective bargaining agreements or material cost increases. We shall produce evidence of the latter at the request of the Buyer.

3. In the case of small orders, we must invoice minimum amounts which take the special expenses involved in their handling into due account. Agreements between us and the Buyer shall not be binding unless they have been confirmed in writing by us. In the event of framework agreements, individual calls shall be exempted from the requirement of the written form.

4. The purchase price must be paid net, without postage and expenses, 30 days from the date of invoice. If the Buyer is in default of payment, we shall be entitled to charge default interest in the amount of 8 percentage points above the corresponding base rate. If we are able to produce evidence of higher damage caused by the delay, we shall be entitled to assert it.
5. We shall grant a 2% discount if the invoices are paid within 14 days of the date of invoice and all payment obligations due from previous deliveries have been satisfied. No discount shall be granted for invoices concerning moulds or tools.

6. No interest shall be paid on advance payments or payments on account.

7. The Buyer shall not have offsetting rights unless his counterclaims have been established in a final and conclusive manner and are uncontested or recognised by us. Nor shall the Buyer have any right of retention in respect of contested counterclaims.

8. Bills shall not be accepted by us; cheques shall only be accepted on account of performance. Any expenses incurred in this respect and other fees shall be borne by the Buyer.

IV. Delivery/delivery period

1. If we default in delivery for reasons for which we are not responsible, liability for damages shall be excluded in the event of ordinary negligence. We shall, more particularly, not be responsible for cases of force majeure; the latter shall release us from delivery or performance in due time and shall, moreover, entitle us to discontinue our deliveries without setting a deadline for delivery.

2. If the Buyer grants us an additional period of time of reasonable length under threat of rejection, after we are already in default, he shall be entitled, after the ineffectual expiry of this additional period of time, to rescind the contract. The Buyer shall only be entitled to damage claims for non-performance in the amount of the foreseeable damage if the default was caused by wrongful intent or gross negligence; as for the rest, liability for damages shall be limited to 50% of the damage caused.

3. Partial deliveries shall be admissible.

4. Compliance with our obligation to deliver shall presuppose that the obligations of the Buyer have been met properly and in due time.

5. If the financial situation of the customer deteriorates in such a way that doubts arise in respect of his solvency, we shall be entitled to discontinue the deliveries and provision of services immediately and grant the Buyer a period of time for (advance) payment or the furnishing of collaterals. After an expiration of the deadline to no avail, we shall be entitled to rescind the contract.

V. Warranty for defects

1. The warranty rights of the Buyer shall only be deemed to exist if he has satisfied the obligations in terms of examination and notification of defects in a proper manner in accordance with § 377 HGB (German Commercial Code).

2. If the delivered goods have defects which are covered by warranty, we shall be entitled, at our option, to remedy the defects or make a replacement delivery. If we refuse performance of the contract in a serious and final manner or if the remedying of the defects or replacement delivery fails, the Buyer may rescind the contract in accordance with the statutory provisions or reduce the purchase price.
3. Unless otherwise stipulated hereinbelow, any more extensive claims of the Buyer - for any legal reasons whatsoever - shall be excluded. Consequently, we shall not be liable for damage which was not caused in respect of the subject matter of delivery itself; we shall not be liable for any lost profit or other financial loss of the orderer.

4. The aforementioned exclusion of liability shall not apply if the cause underlying the damage was attributable to wrongful intent or gross negligence. Moreover, it shall not apply insofar as we have taken over a warranty for a particular condition of the goods or any other warranty.

5. In the event of slightly negligent violation of essential contractual obligations, we shall be liable up to the foreseeable damage for the corresponding type of contract.

6. The warranty period shall amount to one year from the passage of risk.

VI. General liability

1. Any liability for damages, which is more extensive than provided for in Clause 5, shall be excluded regardless of the legal nature of the asserted claim.

2. These provisions shall not apply to claims under the Product Liability Act. To the extent that our liability is excluded or restricted, this shall also apply to the personal liability of our employees, salaried employees, persons employed for the performance of our duties and representatives.

VII. Retention of title

1. We shall retain title to the delivered goods until receipt of all payments under the business relationship with the Buyer. In the event of breach of contract by the Buyer, more particularly in the case of default in payment, we shall be entitled to take back the goods and immediately rescind the contract. After taking back the goods, we shall be entitled to realise them; the proceeds from such realisation shall be set off against the liabilities of the Buyer, after deduction of proper realisation expenses.

2. The Buyer shall be obliged to treat the goods with care and to comply, more particularly, with the relevant DIN standards.

3. The processing or transformation of the goods by the Buyer shall always be for us. If the goods are processed together with other items which do not belong to us, we shall acquire co-ownership of the new item in the proportion of the value of our goods to the other processed items at the time of processing. The item resulting from such processing shall, as for the rest, be governed by the same provisions as those applying to goods delivered subject to reservation. If the goods are mixed in an inseparable manner with other items which do not belong to us, we shall acquire co-ownership of the new items in the proportion of the value of the goods to the other mixed items at the time of mixing. If the mixing occurs in such a way that the items of the Buyer are to be considered as the main item, it shall be deemed to have been agreed that he shall transfer proportional co-ownership to us.

4. The Buyer shall be entitled to sell the goods on in the ordinary course of business; however, he shall - already at this stage - assign all accounts receivable in the amount of the final invoice
which arise from reselling against his buyers or third parties, regardless whether the goods are sold with or after processing. The Buyer shall remain entitled to collect these accounts receivable also after their assignment. Our entitlement to collect the accounts receivable ourselves shall not be affected. If we were to use this entitlement, we could require the Buyer to provide all information necessary for the purpose of collection, to submit the corresponding documents and to inform the debtors/third parties about the assignment.

5. In the event of pledging or other interventions of third parties, the Buyer must immediately inform us in writing. Göhmann Wrede Haas Kappus & Hartmann Page 3.

VIII. Passing of risk

1. Unless otherwise laid down in the confirmation of order, delivery "ex works" shall be deemed to have been agreed.

IX. Place of jurisdiction and place of performance/applicable law

1. These Standard Terms and Conditions of Sale shall be governed by German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods. Should one or more clauses of the Standard Terms and Conditions be or become invalid as a whole or in part, the validity of the remaining provisions shall not be affected. The place of jurisdiction for all claims under this business relationship shall be, at our option, Gelnhausen or Frankfurt am Main. The place of performance shall be Gelnhausen.