

Standard Business Conditions Valid from Juli 1, 2002

- Sales and deliveries will be effected exclusively on the terms and conditions shown below which will also apply to all future business, even if we do not refer to them in each single case.

To be effective, any modifications of the contract or any supplements thereto will require our confirmation in writing. If that formal requirement is dispensed with, this shall also be laid down in writing.

The buyer's standard business conditions shall not become the subject matter of the contract, even if we do not expressly contradict them.
- The prices are quoted in EURO and, unless otherwise agreed, are ex works and/or ex stock. The prices do not include turnover tax in the legally applicable amount, which must be paid separately.
- All payments to us are payable net cash without immediately upon delivery and receipt of invoice, without deduction and free from charges. Bills of exchange and checks will only be accepted for payment. Discount, bill charges and other charges are borne by the purchaser.

If payments are received later than 10 days after the invoice date or later than the agreed date of payment, we are entitled to claim interest after the due date in the amount of 2 % above the base interest rate, at a minimum of 8 % without delayed performance being required. The assertion of any further damage caused by delayed performance is reserved.

Our invoices are deemed as accepted if not contested in writing within 30 days after invoice date. We will inform the purchaser about this condition with each invoice.

The assertion of any rights of retention by the purchaser from previous or other business transactions in the current business relationship is excluded. The set-off of counterclaims is admissible only to the extent to which these are accepted by us and are due for payment or are recognized by declaratory judgement. In case of obvious payment difficulties of the purchaser, in particular also with default in payment, check or bill protest, cessation of payments, filing of a petition to commence composition or insolvency proceedings, we are entitled to make due all open – as well as deferred – invoice amounts with immediate effect and to claim payment or provision of security against return of any bills accepted an account of payment and to make any further deliveries against advance cash. We are not entitled to call due the open accounts receivables with immediate effect in those cases where the purchaser has become in arrears with his payments through no fault of his own.

If the purchaser has become in arrears with his payments, we can grant in writing the purchaser a grace period of 14 days. Following unsuccessful lapse of the grace period, we are entitled to withdraw from the contract and to claim damages for breach of contract.
- The transportation of the goods will be at the buyer's risk and for the buyer's account, also when our own means of transport are employed. Should shipping become impossible for us or the carrier or should it be delayed through no fault of ours, the risk of loss or deterioration of the goods will pass to the buyer upon receipt of the notice of readiness for dispatch. Any insurance will be taken out on the instructions and at the expense of the buyer only.

Partial deliveries will be permissible.

Industrial disputes or unforeseeable extraordinary occurrences such as sovereign acts, disturbances of traffic, etc. will release us from the obligation to deliver while their effects continue, or fully in the case of impossibility.
- The purchaser is obliged to examine the supplied merchandise for obvious defects which are immediately obvious to the average customer. Such obvious defects should also include substantial, easily visible damage to the merchandise. In addition, this includes cases in which a different good or a short quantity were delivered. Such obvious defects must be complained about to us in writing immediately, and at the latest within one week after the delivering date.

Defects which become obvious only at a later date, must be complained about in writing by the purchaser within one week after their detection. If the requirement to make a complaint or the duty to examine is not observed, the merchandise is deemed approved even considering the defect concerned.

Guarantees of condition must be labelled expressly as guarantees. Any reference to commercially available labels of quality and samples does not serve as a basis of any guarantee by us.

Defects in/of the delivered good will be removed by us within a period of one year from the delivery after corresponding information from the purchaser. This is done at the purchaser's option by free rectification of defects or delivery of a substitute. If the removal of defects chosen by the purchaser is associated with substantial disadvantages to us, we are entitled to carry out the other method of remedy of defects. In the case of a delivery of a substitute, the purchaser is obliged to return the defective good.

If the defect cannot be removed within an appropriate period or if the rectification of defects or delivery of a substitute has to be considered as having failed, the purchaser can, at his option, claim reduction of the payment (abatement) or may withdraw from the contract. A failure of the rectification can be assumed only if we have been granted adequate opportunity for rectification of defects or delivery of a substitute without the requested success being achieved, only if the rectification of defects or delivery of a substitute is impossible, only if it is denied or unreasonably delayed by us, only if reasonable doubts for the prospects of success exist or only if a hardship for any other reasons exists.

The assertion of warranty claims is excluded if the purchaser has modified the merchandise. The examination of the good's applicability for the purpose intended by the purchaser and the observance of the legal regulations, in particular the law relating to food and drugs and marking requirements, is the sole responsibility of the purchaser.
- We will not accept liability for ordinarily negligent breaches of duty, as long as these do not involve fundamental contractual obligations or damage arising from injury to life, limb or health, or a guarantee, and as long as they do not involve claims pursuant to the German Product Liability Act. The same applies to breaches of duty by those employed in performing an obligation for which we are vicariously liable. The above provision applies to all damage, including damage in the context of defect remedying, execution damage and the like.
- The goods delivered will remain our property as reserved goods until the purchase price has been paid and all claims existing under the business relationship as well as all future claims arising in connection with the object of the purchase have been met. If a liability on our part as regards bills of exchange is created in connection with the payment of the purchase price by the buyer, the reservation of title shall not terminate until our liability in respect of such bills of exchange ends. The treatment or processing of the goods delivered by us will be carried out for us as manufacturers within the meaning of Sect. 950 of the German Civil Code without obligating us. The goods resulting from treatment or processing will also be considered reserved goods within the meaning of these terms and conditions. If our goods are mixed with or processed together with other goods not owned by us, we shall be entitled to a co-owner's share in the thing resulting from mixing or processing in the proportion of the total invoice values of our goods to those of the third-party goods used. The new thing shall not be regarded as principal thing within the meaning of Sect. 947, para. 2, of the German Civil Code. In the case of a current account, the reserved title shall also be considered as security for the balance claim against the buyer.

The buyer may sell our property, including the goods resulting from mixing, treatment or processing, only in the ordinary course of business on his usual terms of business. The buyer shall be entitled to a resale only if it has been ensured that the claims therefrom, together with all ancillary rights, will pass to us in the amount of the value of the reserved goods. The buyer will not be entitled to any other dispositions, in particular not to any attachment or transfer of ownership by way of security. The buyer shall assign to us all claims due to him against third parties in connection with the reserved goods from the resale of the reserved goods - also within the scope of *Werkverträge* (contracts for work) or *Werklieferungsverträge* (work performance contracts) - or for any other legal cause. In the event that the buyer sells the reserved goods alone or together with goods not owned by us, the buyer already now assigns to us the claims resulting from the resale in the amount of the value of the reserved goods together with all ancillary rights and with priority over the rest; we accept the assignment.

The value of the reserved goods shall be the amount of our invoice plus a 10-% security surcharge which, however, will not be applied if that conflicts with any third-party rights. If we are co-owners of the resold reserved goods, the assignment of the claims shall concern the amount which corresponds to the value of our co-owner's share. The advance assignment shall also apply to any balance claim.

Subject to revocation, we authorize the buyer to collect the claims assigned in accordance with the foregoing provisions. So long as the buyer meets his payment obligations, also to third parties, we will not make use of our own direct debit authority. At our request, the buyer shall name the debtors of the assigned claims and notify them of the assignment; we shall also be authorized to notify the debtors of the assignment ourselves.

The buyer shall advise us without delay of any execution measures by third parties against the reserved goods or the assigned claims, handing us the documents required for an objection.

Upon the suspension of payments, the filing of a petition in bankruptcy or the institution of bankruptcy proceedings, the filing of a petition for the institution of composition proceedings in or out of court or the institution thereof the right of resale or use and the authorization to collect the assigned claims will lapse; in the event of a protest of a cheque or a bill of exchange the direct debit authorization will lapse as well.

If the value of the securities granted exceeds the claim by more than 20 %, we shall be obliged to effect a reassignment or a release, at our option, in that respect. As regards the goods delivered by us subject to a reservation of title, our invoice value shall be decisive for the valuation of the securities, and as regards the claims assigned as security the amount of the assigned claim shall be applicable.
- Place of performance for the purchaser and ourselves is Billerbeck.

If the prerequisites for a choice of forum agreement are given, the exclusive place of jurisdiction for all claims of the parties to the contract, also for actions arising out of a bill or check, is Münster (Westphalia). The law applying in the Federal Republic of Germany shall apply exclusively.
- Should any of the foregoing terms be or become inoperative, this shall not affect the validity of the remaining terms. Such inoperative term shall be replaced by another term coming as close as possible to the economic meaning of the inapplicable one. This shall apply *mutatis mutandis* in the event that the terms contain any gaps or require interpretation.