

TERMS OF CONTRACT

Unless otherwise expressly agreed in writing, the following terms shall apply for all offers and deliveries for the entire duration of business relations. Customers' varying purchasing terms are invalid and are hereby opposed:

I. GENERAL PROVISIONS

1. All offers are non-binding and subject to change. Unless otherwise stated, the prices do not include value-added tax.
2. Even when contracts have been concluded, we reserve the right to make price increases for all additional costs that we incur at the time of or after placement of order, such as increases in the price of raw materials, wage increases, etc., which directly or indirectly increase the production costs.

In the event of a general price increase, confirmed orders will be delivered at the previous price for no longer than sixty (60) days from the first day of the month following the price adjustment.

3. Oral agreements are valid only if we acknowledge them in writing.

II. SCOPE OF DELIVERY AND DELIVERY PERIODS

1. As a rule, the contracted quantity shall be delivered. The customer, however, undertakes to acknowledge excess or short shipments as follows:

below 1	t = 20,0 %
1 - 2,5	t = 15,0 %
2,5 - 5	t = 7,5 %
above 5	t = 5,0 %

2. Contracted delivery periods are binding for us in the manner customary in the trade. If delivery periods are exceeded, then we shall be granted a grace period of at least two (2) weeks; in special cases, we shall be granted a longer grace period.

The delivery period shall begin on the day on which our confirmation of order is dispatched. The delivery period is respectively interrupted for the duration of inspection of production samples, etc., by the customer from the day on which the samples are dispatched to the customer until the day on which the customer's response is received. If, after confirmation of order, the customer requests changes in the order that affect the duration of production, then a new delivery period shall begin upon confirmation of the changes. Acts of God and especially war, strikes and lockouts, shortages of energy, water, raw materials, and operating supplies, considerable disturbances in transportation and operation – provided that these are beyond our control – as well as all phenomena that have similar consequences for the management of the business, release us from our obligation to deliver, without, however, obligating us to pay restitution for damages. They entitle us, by special declaration, to limit the obligation to deliver to individual parts of the orders accepted and to extend the delivery periods for the overall order or parts thereof.

3. In the event of delay, as a rule the customer shall only have the right to repudiate the contract. In the event of partial delay, this shall apply only if the partial performance is of no interest.

Claims for restitution of damages are excluded except when the delay is due to malice or gross negligence.

III. DEFAULT IN TAKING DELIVERY

If the customer does not take delivery of the shipment within a reasonable period after notification of completion, then we shall be entitled to either warehouse the delivery ourselves for the account and at the risk of the customer or to have the delivery warehoused at a freight forwarder's at the customer's expense and charge for the goods.

IV. SHIPMENT

Shipment always takes place at the risk of the recipient. Unless otherwise agreed, our prices are stated for delivery free to the courtyard of the recipient. We reserve the right to choose the shipping route and method of shipment. If goods are delivered on reusable pallets, then these shall remain our property unless the customer returns to us, on the lorry making the delivery, the same number of pallets of the same type. If our pallets are not returned freight prepaid within one (1) month after delivery, then we shall be entitled to charge the new value for the pallets.

V. DEFECTS

1. In terms of computation of measurement and magnitude, of divergencies of measurement and weight and of defects the special provisions for paper and cardboard apply as settled in the General

Terms of Sale of the European Producers of Paper and Board (1991).

2. Apparent defects can only be taken into account if they are the subject matter of a complaint filed within ten (10) working days after receipt of the goods. The customer remains obligated to inspect the goods delivered, even if output samples have been sent. Hidden defects can only be claimed if we receive the complaint regarding defects within three (3) months after the goods leave the factory from which the delivery was made.

VI. DEFECTS IN QUALITY

Reduction in remuneration or cancellation of contract can be demanded only if attempts at subsequent fulfilment have failed. Restitution for damages of any kind whatsoever is excluded. We shall make restitution for damages incurred only in the event of defective delivery when we have warranted in writing the qualities of the goods for a particular purpose that is known to us.

VII. TERMS OF PAYMENT

The respectively agreed upon terms of payment shall apply. Unless deviating provisions have been agreed upon, the following shall apply: Net cash without deduction within thirty (30) days from the date of invoice or with 2% percent discount on the invoice amount within fourteen (14) days. Payment by bill of exchange is permissible only by prior agreement; in the event of payment by bill of exchange, cash discounts are excluded. Collection fees shall be charged to the buyer. In the event of late payment, we shall charge interest on arrears in the amount of eight (8) percentage points above the basic interest rate. For large orders, we reserve the right to demand down payments or partial payments in accordance with the work performed. Cash discounts shall be granted on partial and intermediate invoices only if payment is made in cash within the respectively stated period. There shall be no interest compensation or discount for early payment (anticipation).

VIII. RESERVATION OF TITLE

1. Until fulfilment of all claims to which we are entitled (including all balances on accounts receivable) from the customer and customer's group member-company, on any legal grounds, now or in future, we shall be granted the following securities, our choice of which we shall release upon demand if the value of said securities permanently exceed our claims by more than 20%.
2. The goods delivered remain our property as goods subject to retention of title. The customer has the right to process and resell the goods subject to retention of title within the ordinary course of business provided that the customer is not in default. The goods subject to retention of title may not be pledged or assigned as securities.
3. If the goods subject to retention of title are resold by the customer alone or together with other goods that do not belong to us, then the customer assigns to us right now all claims arising from the resale with all ancillary rights. If we are part owners of the resold goods subject to retention of title, then the assignment of claims extends to the amount equivalent to our share in ownership.
4. Until further notice, we authorise the customer to collect the assigned claims for our account in our name. This authorisation to make collections can be revoked only if the customer fails to meet customer's payment obligations in an orderly manner.
5. Any processing of the goods subject to retention of title is undertaken by the customer for us, without this leading to any obligations on our part. If the goods subject to retention of title are processed, combined, mixed or blended with other goods that do not belong to us, then we shall be entitled to a co-ownership share in the new object thus formed in proportion to the invoice value of the goods subject to retention of title relative to the value of the other goods processed at the time of processing, combination, mixing or blending. If the customer acquires sole title to the new object, then the contractual partners agree that the customer grants to us a co-ownership share in the new object in proportion to the invoice value of the processed, combined, mixed, or blended goods subject to retention of title and shall store the new object for us at no extra charge.
6. If third parties seize the goods subject to retention, then the customer shall refer to our title and notify us immediately. Expenses and damages shall be borne by the customer.

7. If the customer is in breach of contract – especially default in payment – then we shall be entitled to repossess the goods subject to retention of title or demand assignment of the customer's rights of repossession vis-à-vis third parties. Our repossession and seizure of the goods subject to retention of title shall not constitute repudiation of contract on our part.

IX. RIGHTS OF RETENTION, SETOFF, ASSIGNMENT

1. The customer is not entitled to rights of retention due to customer's own claims, regardless of the grounds of said claims in law.
2. Setoff is permitted only with claims that are uncontested or are the subject matter of a final and absolute judgement in law.
3. Assignment of claims against us is prohibited.

X. MISCELLANEOUS

1. We reserve the right to charge for changes requested after we have begun preparatory work.
2. If, after acceptance of the order, it appears that the pecuniary claim is at risk, we shall be entitled to demand additional securities or advance payment or repudiate the contract. We hereby deem assignment or pledging of accounts receivable to constitute such a risk. Furthermore, such a risk shall be deemed to exist if a customer has not paid for a prior delivery after the third reminder.
3. We reserve the right to attach our company text and/or company logo to deliveries of all types in accordance with the corresponding exercises or regulations and space permitting.

XI. BREACH OF OBLIGATION AND RESTITUTION FOR DAMAGES

1. With the exception of physical injury, we shall be liable for breaches of obligation within the meaning of Para. 280 German Civil Code only if these other damages are due to malicious or grossly negligent breach of obligation on our part or on the part of our legal representatives or persons employed in fulfilling our obligations.
2. If we are liable for restitution for damages, then we shall only be liable for those damages that could reasonably be foreseen at the time the contract was concluded.

XII. PLACE OF FULLFILLMENT AND APPLICABLE LAW

1. Place of fulfilment and place of jurisdiction for all claims and legal disputes arising from the contractual relationship, including summary bill-enforcement proceedings and trial by record, is Hamburg.
2. This contract and legal relationship shall be governed solely by the laws of the Federal Republic of Germany, excluding the United Nations Convention of 11 April 1980 on Contracts for International Sales of Goods (UN Sales Convention/CISG).

XIII. DATA PROTECTION

The customer is hereby advised that data regarding business transactions is processed.

XIV. ESCAPE CLAUSE

If any of these provisions should be or become invalid, this shall not affect the remaining valid provisions herein.