

General Conditions of Sale and Delivery

1. Applicability

The following terms and conditions are applicable to all current and future business transactions unless expressly agreed otherwise. Deviations from these terms and conditions require our express confirmation in writing.

2. Offers

Our offers are without obligation. A contract comes into effect only on confirmation of an order by us or by the execution of the order. The order confirmation and any amendments must be made in writing.

3. Price

For invoicing purposes, the prices effective on the day of delivery are applicable, unless a fixed price has been agreed in writing. The prices are delivered customer's premises and are in EURO excluding VAT unless a different currency has been expressly agreed.

All sales are subject to the customs and freight regulations applicable on the day of delivery.

Should a price increase be introduced after the date of signing of the contract, the purchaser will have the right to cancel the order within 14 days of the notification of the price increase. In cases where the price increase is due to an increase in freight rates or VAT, the right to cancellation will not be applicable.

4. Delivery, passing of risk

We are entitled to make partial deliveries. Each partial delivery is deemed to be an independent business transaction. Short or excess deliveries of up to 10% are considered as being in line with the contractual requirements.

Deliveries will at all times be effected at the purchaser's risk; this applies also to deliveries made carriage paid and/or by means of our own transport. On transfer of the goods to the first carrier, the risk passes to the purchaser. Goods not accepted in time will be stored at the expense and risk of the purchaser.

In the event of delayed acceptance, we will be entitled to refuse delivery of the quantities not accepted, subject to our other rights.

Packaging:

a) In the case of deliveries which include packaging, the packaging can be returned to us in line with the statutory provisions provided it has been emptied of all product and rinsed out. It should be sent carriage paid to the location indicated by us.

b) Returnable packaging will be made available by us free of charge for a period of up to one month. After being emptied, all returnable packaging should be returned in a clean state to our appropriate distribution centre or our plant in Pullach. The return freight will be paid by us.

If the returnable packaging is taken over by the purchaser or is not returned to us for some reason or does not arrive in time or is not suitable for reuse, a charge equivalent to the replacement value will be added to the invoice.

c) IBCs (Intermediate Bulk Containers), tank containers and refrigerated containers etc. must be emptied completely on receipt and returned to the site of despatch. No reimbursement can be made for residues left in the containers.

If deliveries shall be effected on the basis of an ETA („Estimated Time of Arrival“) or ETD („Estimated Time of Departure“), any given times for delivery shall be non-binding.

5. Delivery problems

Circumstances beyond our control and all cases of force majeure such as war, strikes, lockouts, raw material and energy shortages, operating and transport problems, intervention of public authorities and problems and restrictions experienced by our subcontractors will release us from our delivery obligations for the corresponding period and on a scale commensurate with their effect. In such cases, we will be entitled to delay the delivery accordingly or to cancel a contract partially or in full. The purchaser may cancel the contract if, following his request, we fail to clarify whether we intend to cancel the contract or supply within an appropriate period.

In the case of orders to be executed in the form of several deliveries, failure to comply with the supply obligation, defective or delayed delivery does not affect other deliveries under the contract. If, as a consequence of such delivery problems, the quantities of product available to us are insufficient to comply with all our delivery obligations, we will be entitled to reduce the outstanding deliveries by the corresponding amounts and will be released from any further delivery obligations.

6. Warranty

The purchaser is required to subject the goods to a thorough goods acceptance inspection and to notify us immediately of any apparent defects within 8 days and of hidden effects immediately after discovery and within 6 months of the delivery at the latest in full and in writing so as to enable us to verify the legitimacy of the complaint. Should the purchaser fail to provide this notification or use, blend, repackage or sell the goods, this will be considered as his unreserved approval. Any measures we may take to reduce our losses cannot be considered as an acknowledgement of defects.

Our warranty obligation will initially be restricted to replacement deliveries or rectification of defects, at our option. The purchaser has the right to request cancellation of the contract or a price reduction in the event of failure of the substitute delivery or rectification of defect.

The information provided by us on the items to be delivered, services to be rendered, purpose of use etc. is merely descriptive or provided for purposes of labelling.

7. Damages

We assume liability for statutory or contractual liability matters, insofar as essential contractual obligations are violated, for any faults but otherwise only for intent or gross negligence. Our liability for negligence is restricted to direct damage which was reasonably to be expected under the circumstances known at the time of signing of the contract. We will not assume liability for unforeseeable consequential loss of any type, in particular interruption of operations, loss of production, loss of sales or profit lost otherwise. The foregoing limitations on liability do not apply to damage to life, body or health.

Our liability under the laws of product liability will remain unaffected.

The above terms and conditions are also applicable to transactions undertaken with our legal representatives, employees and authorised agents.

8. Payment terms

Our invoices are payable at 30 days from the date of invoice without discount unless agreed otherwise.

Counterclaims can be offset by the purchaser only if they are undisputed or legally enforceable. The purchaser has the right of retention only in respect of claims under one and the same contract.

Should the purchaser default in his payment obligation, we will be entitled to charge interest on arrears of 8% p.a. above the Central Bank base rate, subject to the assertion of further claims for damages.

Additionally, we will be entitled to withhold further deliveries under this or other contracts partially or in full and to require immediate payment for all deliveries made and advance payment for future deliveries.

9. Retention of title

Title to the goods will be transferred to the purchaser only on payment of all our claims existing on the day of delivery. However, the purchaser will be able to process or sell the goods subject to proprietary rights within the framework of a properly managed business operation subject to the following conditions; not withstanding the provisions of section 950 of the German Civil Code, processing, as far as we are concerned, will be effected under the proviso that we acquire joint ownership of the processed product, our entitlement being based on the ratio of the purchase price of the goods subject to proprietary rights to the selling price of the processed product.

The purchaser herewith assigns to us, as a security, all future claims against third parties arising from the resale of the goods subject to proprietary rights in full and those arising from the sale of the processed products to a partial sum corresponding to our joint ownership share. The purchaser is entitled to collect the sums of the assigned claims provided he has duly complied with his payment obligations to us. We undertake to release the securities to which we are entitled under the above terms as an option when their value exceeds the secured claims by 25%.

10. Export Control

The purchaser shall not use, sell or otherwise dispose of any of the goods

a) for the development or production of biological, chemical or nuclear weapons;

b) for the unlawful manufacture of drugs;

c) in violation of embargoes;

d) in violation of any legal registration or notification requirement; or

e) without having obtained all relevant approvals required under applicable laws and regulations.

Purchaser's failure to comply with the obligations set forth above shall entitle us to terminate the contract for good cause with immediate effect. Our right to terminate shall be without prejudice to any other of our rights or remedies in respect of the breach.

The purchaser shall indemnify us against, and hold us harmless from, any claims, damages, costs, expenses, liabilities, loss or proceedings whatsoever arising out of, or in connection with, any breach by purchaser of its obligations set forth above.

11. Jurisdiction, legal status

The place of execution of our services, in particular the place of delivery, is the place from which the deliveries are effected. The purchaser's place of execution, in particular the place of payment, is Munich.

The place of jurisdiction shall, at our option, be Munich or the purchaser's general place of jurisdiction.

Disputes between the contractual parties arising from and in connection with a delivery contract are subject exclusively to German law, including the UN Convention on Contracts for the International Sale of Goods (CISG).