

Perleberg GmbH
Terms and Conditions of Delivery and Payment

1. Validity

The supply (goods, services, works etc.) and offers made by of the Perleberg GmbH are made exclusively based on these terms and conditions. The contractor's counter-confirmations referring to his terms of business or purchase are herewith repudiated.

Our Terms and Conditions of Delivery and Payment will also be applicable for all future business relationships, even if they have not been expressly agreed upon once again.

2. Offer and contract conclusion

All agreements that are entered into between us and the contractor regarding this contract are to be in writing in this contract.

Our employees, agents and other intermediaries are not authorised to make any oral agreements to deviations to our terms and conditions. In the same way, our agents and employees are not authorised to make oral commitments or agreements that exceed written agreements. Such oral agreements and agreements that exceed written agreements are only valid when they have been ratified by us, in writing. The written confirmation can be in the form of a letter or a form respectively, communicated via a delivered document.

Our offers are subject to change. They are only requests from our contractors to submit an offer. The customer's orders are binding offers.

We request you to place orders by using our Order Forms.

We retain the copyright and ownership rights to images, drawings, calculations, results of data processing and other documents that have been made available to the customer within the framework of initiating the order. They may not be made available to third parties. This is particularly applicable for such written documents that are marked "Confidential": Before passing them on to third parties, the customer must obtain our express written confirmation. The documents are to be sent back to us, free of cost, if the contract is placed on another.

3. Prices

If not otherwise agreed upon, our prices are ex-factory or ex- our warehouse and only in our normal packaging, delivery and insurance charges extra. In addition to our prices, the Value Added Tax as applicable on the date of delivery as per the Value Added Tax Rules will be charged.

In the case of goods or services that are to not to be delivered or executed prior to four months from the conclusion of the contract, we reserve the right to increase our prices to the level corresponding to the increase in prices, in that period, for which we will provide evidence; this is in case the prices rise after the conclusion of the contract, in particular, due to suppliers raising their prices or due to exchange rate variations. This right is applicable for goods and services that are to be delivered in the framework of recurring obligations, without the limitation of Clause 1 but with the exception of evidence of the incurred extra costs.

4. Delivery and performance period

Delivery and performance periods or deadlines that may have been agreed upon bindingly or non-bindingly must be specified in writing. Delivery and performance periods begin with the receipt of order confirmation, however not prior to the contracting partner's obtaining the required approvals and clearances and also the receipt of an agreed upon advance payment. The delivery period is considered maintained, if prior to its expiry, the subject of delivery has left the supplier's business establishment or notification has been made of the readiness for shipping, insofar as the delivery of the ordered goods has not been agreed upon as to be delivered to him or to an address specified by him.

The contracts concluded by us are subject to our receiving deliveries correctly and punctually from our suppliers. In the case of force majeure or other unforeseeable, unusual and unintentional circumstances, we reserve the right to delay the delivery or service for the duration of the hindrance plus an appropriate period, or to withdraw partially or completely from the still unfulfilled part of the

contract if we are hindered in the fulfilment of our service due to no fault of our own. We retain the right to make the appropriate selection, for a period of eight days after the relevant enquiry by the customer. After a fruitless expiry of the time limit, our obligation to deliver the goods or service shall remain. The customer however always has the right to set an appropriate period of grace while threatening to otherwise refuse acceptance of performance, in writing, when we exceed the agreed upon delivery period by more than six weeks. After a fruitless expiry of the period of grace, the customer is authorised to cancel the contract. Claims for damages due to non-fulfilment are limited to 50% of the foreseeable damage, in the case of slight negligence. Far-reaching claims for damages only exist when the delay has been caused wilfully or due to gross negligence. The limitation of liability given above is not applicable if any commercial fixed date transaction has been agreed upon. The same is applicable if the customer can prove cessation of his interest in continuing the performance of the contract as a result of a delay in delivery for which we are responsible. We reserve the right to partial deliveries and partial fulfilment within the delivery and performance period at all times. If the partial fulfilment of the contract ceases to be of interest to the customer, he can withdraw from the entire contract or claim damages due to non-performance. The prerequisite for maintaining our delivery and performance periods is the timely and correct fulfilment of the customer's obligations.

5. Passing of risk

Unless the customer's place of business has been agreed as the place of performance, the risk is transferred to the customer as soon as the goods are handed over to the transport agent or have left our factory or the commercial address of paper design for the purpose of shipment. If dispatch is delayed due to reasons for which the customer is responsible, then the risk is transferred to the buyer on the date of making the goods available. At the buyer's request, transport insurance can be arranged for him, at his cost. In any case, the buyer can only assert claims against us when he has immediately had the damage surveyed and made a complaint against the transport company and us.

6. Warranty

Damage to the goods due to transport is to be immediately determined by the appropriate appraiser in the case of insurance claims and is to be informed to us. 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). The buyer is obliged to complain in writing, of any obvious defects immediately on delivery and those that are identified by a methodical examination, insofar as this is possible, in the course of normal business, within seven days of discovery (however at the latest, within three months after handing over). If the period for giving notice of defects is not met, the warranty shall not come into effect for defects affected by this. We will not be liable for the improper use of our products. With respect to defects for which we are liable, it is in our sole discretion either to rectify any such defects or to make a replacement delivery. The discovery of such a defect is to be informed to us immediately, in writing, particularly per fax. Replaced parts become our property. If we are not prepared or not able to perform a rectification / replacement, in particular if the rectification / replacement is delayed beyond the appropriate periods that have been set for us or if we refuse to perform the rectification / replacement or if this fails for other reasons, then the buyer has the right to demand a conversion (annulment of the contract) or an appropriate reduction in the purchase price (reduction). Unless specified otherwise below, claims of a wider scope against us on the part of the customer, on any legal grounds whatsoever are excluded. The above release from liability shall not apply where the damage is based on intent or gross negligence. It also is rendered invalid if the customer asserts a claim of non-fulfilment due to a promised missing feature specified in the contract. If we infringe upon a cardinal duty or a significant contractual provision due to gross negligence, our replacement obligation is limited to the foreseeable damages typical for this type of contract. To the extent that our liability is excluded or limited, this applies equally to the personal liability of our employees, workers, staff, agents and vicarious agents.

7. Retention of title

All goods remain our property until all our claims, irrespective of legal basis, including accounts receivable arising in the future or contingent payments and those due under contracts entered into at the same time or later within the framework of our business relationship, are met. This is also applicable when payments are made for specially designated claims. For open accounts, the reserved property is deemed to be security for the amount outstanding. At the conclusion of the contract between the buyer and us, the buyer will assign to us the entire amount of the accounts receivable, including all ancillary rights of his purchaser, from the sale of goods or from other legal grounds, by way of security for our outstanding claims. The buyer may not pledge such goods that Perleberg GmbH claims as its property, or transfer title in them as security. In case of any mortgages, confiscation and other disposal through third parties, he is required to inform Perleberg GmbH on that immediately. The buyer is obliged to help us in the protection of our interests in such a case. The costs for such required interventions will be at his cost. In the event that payments are discontinued, the customer must inform us of the goods still on-hand. If a cheque or a bill of exchange has been given by the buyer in connection with payment, then the reservation of ownership and the claim relating to the supply of goods on which said reservation of ownership is based, will not expire until the cheque or bill of exchange has been honoured together with all the additional charges. If the value of the securities due to us exceeds the accounts receivable from the buyer by more than 10%, we are obliged to release the securities due to us at the request of the customer, we shall however be free to select which securities are to be released. In the event that the conduct of the customer is not in conformity with the contract, especially in the event of a delay in payment, we retain the right to take back the sale item. This shall represent a withdrawal from the contract. The costs that result from that will be borne by the customer. After recovery of the purchased object we are entitled to sell the latter, the amount thus realized will be deducted from the obligations of the ordering party - less reasonable administrative costs. The customer is obliged to treat the purchased object carefully. He is authorised to sell it in the ordinary course of business.

8. Payment terms

The payment to the amount of the invoice is to be made within thirty days from invoice date without any deductions. In the case that payment is made within eight days of the invoice date, we allow a discount of 2%. Perleberg GmbH is authorised to first set off payments against the customer's older dues, in spite of the customer having contrary conditions and he will inform the customer of the way in which the setting off has been done. Cheques are considered as payment only after realisation. Bills of exchange are only accepted pursuant to a special agreement and without guarantee of correct presentation and protest. If payment is made by promissory note or customer's bill of exchange, we will charge discount charges at the amount of the usual bank discount rate or that of the following interest rate of the European Central Bank, from the due date of the invoice to the maturity date of the bill of exchange. These expenses are due immediately and without any deductions. In the case of payment in instalments, if an instalment is not paid, the entire balance sum is immediately due. Should the purchaser default on payment, we are entitled to demand, after an appropriate period, levy of interest on arrears from the relevant date, in the amount of 8% above the corresponding rate of interest of the Deutsche Bundesbank or the following interest rate of the European Central Bank, as a lump sum for damages or to withdraw from the contract either partially or fully. Legal provisions are not affected by this agreement. The interest on defaulted payment shall be lower, if the contractor proves that the load is lower, Perleberg GmbH proof of higher loss is permitted. In the case of new business relationships and in particular cases, we are authorised to demand advance payment. The buyer is only entitled to offsetting and retention also if the counterclaims are legally enforced, if the counter claims have been stipulated as legally valid, have been accepted by us or are undisputed. If the mode of payment between the buyer and seller has been chosen to be the SEPA direct debit scheme, the buyer is obliged to provide the required mandate and to ensure adequate funds are available in the account on the due date. The period for pre-notification is reduced to one day.

9. Securities

Should we become aware of situations which cast a doubt on the creditworthiness of the buyer, this especially being the case if a cheque is not honoured, he ceases to make payments or if we become aware of the filing of a petition to open bankruptcy or insolvency proceedings, we are entitled to determine that the entire remaining debt is due for payment even if we have accepted cheques. We are also entitled in such a case to demand advance payment and tender of securities. In such a case, we can also withdraw from the contract.

10. Taking goods back

Taking goods back outside of our guarantee obligation is only after prior agreement and only on exchange basis, i.e. with the granting of a new contract of at least the same value of the goods being returned. Payments already made will be set off against the new delivery of goods.

11. Place of performance and jurisdiction

For all disputes arising in connection with the contractual relationship, including claims for bill of exchange and cheque receivables, the complaint is to be filed with the Amtsgericht Halle (Westfalen). However, we shall be entitled to sue the customer at his place of residence. The laws of the Federal Republic of Germany shall be the basis for all contractual relationships.

12. Severability clause

Should, for any reason whatsoever, individual provisions of our terms and conditions become invalid, the validity and binding nature of the other provisions shall not be affected. The customer agrees, that the invalid provision shall be replaced by a valid provision that comes as close as possible to the economic meaning of the invalid provision.