

General terms of business (Terms of sale, delivery and payment)

1. An order shall only be deemed as accepted by the Seller when confirmed by him in writing by sending a contract or issuing an invoice. The following terms and conditions shall apply for all, also future, offers and deliveries of the Seller. The Seller shall only sell at his terms and conditions of sale excluding the terms and conditions of purchase of the Buyer, even if the Seller has been notified of said terms and conditions already by the Buyer or these are expressly listed in his order. An acceptance on the part of the Buyer of the goods delivered by the Seller is also deemed as an acknowledgement of the terms and conditions of sale of the Seller for future business. The Seller is not required to file an objection to the terms and conditions of purchase of the Buyer. A silence on the part of the Seller regarding such terms or conditions or standard conditions shall not be deemed as an acknowledgement of such terms and conditions. A silence on the part of the Seller to opposing order confirmations of the Buyer is not to be seen as an agreement. Any deviation of an order confirmation of the Buyer from the terms and conditions of the Seller is deemed as rejection. In the event that the Buyer nevertheless accepts the delivery of the Seller then this is irrefutably deemed as an acknowledgement of the terms and conditions of sale of the Seller. Any agreements deviating from these terms shall only be valid if they have been expressly confirmed in writing by the Seller.

2. In the event that we become aware of circumstances after the transaction, which allow us to conclude a lack of creditworthiness of our contractual partner, we may by choice immediately demand advance payment or security from a bank of our claims, and if this is not complied with, we may cancel the contract without the justification of any obligation. This shall have no effect on the assertion of damages.

3. We shall not assume liability for delays in delivery and impossibility of delivery or other difficulties, which are triggered off by unforeseeable events.

4. Our prices are net prices and are ex warehouse, excluding costs for despatch, packaging and any insurance costs. These shall be borne by the Buyer of the transport at his risk. If the despatch is delayed for reasons for which the Buyer is responsible then the risk shall pass to the Buyer on the date upon which the goods are ready for despatch at the Seller. The Buyer shall inspect the goods immediately when these are picked up at the warehouse of the Seller. If this shall not be deemed reasonable for him, for example, due to the absence of experts, he shall inspect the goods immediately after arrival for any damages and losses and assert all rights and claims against freight forwarders, carriers and insurance companies etc.

5. The payment is principally due immediately after receipt of the goods pure net cash without deduction. In the event that the deadline for payment is exceeded interest in the amount of 5% above the respective base lending rate of the Federal Bank may be claimed, without the requirement of a formal service of default, subject to the right to prove higher damages by default. After the default has continued for one month we shall further be entitled to cancel the contract without notice and demand damages. The handing over of a bill of exchange or cheque shall only apply after it has been cashed and the amount credited on our account as payment.

a) The discount charges shall be borne by the Buyer. b) Acceptance of the bill of exchange is deemed as granting of credit in the amount of the bill of exchange. c) We shall be entitled to return bills of exchange to the customer with the request for immediate cash payment, if

there any reasons which give cause for doubting a timely encashment. d) In the event that the agreed terms of payment are not observed, with protest of bills of exchange or knowledge of payment action against the debtor our total claims against the customer will be due and payable immediately. It is not permitted to retain payments owing to any counterclaims of the customer not recognised by us, in particular owing to faults to the goods sold, nor is it permitted to set off against such counter claims. Payments shall only be paid directly to us.

6. The goods shall remain our property until full payment of our claims from this delivery and in addition until payment of all our claims from current accounts including interest and costs. Our original labels and other markings may only be removed after payment. The goods are to be treated carefully for the duration of the reservation of title and insured against all risks, such as burglary, theft, fire and water damages, etc. at the costs of the Buyer. Any claims from this against insurance companies shall be deemed as assigned to us. In the event of a seizure the Buyer has to inform the enforcement officer of our property right, to send the seizure protocol to us immediately with all necessary information and documents and to carry out all necessary measures according to our instructions. Our claim for handing over is not excluded by any statute of limitations with regard to our claims.

7. The Buyer shall principally only be authorized to resell goods not yet paid within the framework of a proper business operation and with the reservation of our property against the purchase price being due and payable immediately. The sale to travelling traders and such persons is not deemed as a proper business operation. The resale of reserved goods is only possible in the case of instalment business under the following conditions:

a.) The Buyer undertakes to only re-assign the goods purchased under reservation of title in the event that we shall remain owners of the reserved goods. b.) If our reservation of title shall expire this shall be replaced by the ensuing claim. c.) The reservation of title on all goods shall expire independent of the payment of individual invoices only if the Buyer has paid all debts from the business relationship (current account reservation). For securing the claims existing on our part the Buyer also assigns all claims to us, to which he is entitled from the resale of the goods delivered by us. The Buyer is not entitled to assign to third parties or encumber the goods still under reservation of title in particular to or with financing institutes, without our consent. Should the Buyer have assigned/encumbered or assign/encumber to another person in future his goods warehouse either in whole or in part for security, then his intention to assign property or another right to the third party shall not refer to the objects which are the property of the Seller. As soon as the Buyer has not satisfied his payment obligations towards us on time we shall be entitled to notify his debtors of this assignment. For this purpose the Buyer undertakes to make available to us all necessary details and documents upon first request. All collected amounts for goods under reservation of title are to be forwarded to us by the Buyer immediately after receipt. The afore-mentioned obligations of the Buyer shall not be effected by the fact that we make use, if applicable, of the right of cancellation according to Subclause 2.

8. As soon as the Buyer does not satisfy one of the obligations towards us, our stated claims shall be due and payable immediately.

9. The condition of the goods when leaving the warehouse shall be decisive for the condition as per contract. In case of doubt it is presumed that existing faults have only occurred later. Any complaints for faults must be reported immediately and in case of obvious faults must not be received by us later than three business days after receipt of the goods, in case of hidden faults no later than the business day after they are discovered. If the condition of the goods is seen as in breach of the contract then the Buyer may not remove or have removed the goods from the place of inspection before the condition has been determined by an experts assessment or in another binding manner. Deemed as place of inspection is the location at which the Buyer has determined the condition of the goods through inspection before the complaint, otherwise the place where the Buyer should have had the goods inspected at the latest. Insofar as the Buyer violates this ban, the goods shall be deemed as approved. If the Buyer has sold the goods and moved these accordingly, then the goods are deemed as approved, unless it was not possible to detect the condition which is in breach of the contract in a proper inspection.

10. The place of performance for our delivery obligation is the place at which our warehouse is located. The place of performance for the obligations of the Buyer is Hamburg. The courts in Hamburg have exclusive jurisdiction for making decisions concerning any ensuing disputes and indeed also for actions concerning bills of exchange and cheques. German law shall apply exclusively for the contractual relationship.

11. A possible invalidity of one or several of these terms and conditions shall have no effect on the legal validity of the other clauses. In this case the invalid regulation shall be replaced by one which shall as far as possible satisfy the intended purpose in terms of content and purpose.

Business with commission agents

1. The afore-mentioned terms and conditions shall apply, insofar as not otherwise determined below.

2. Our invoices shall serve to determine the minimum proceeds and the proof of storage.

3. The sales proceeds are our property. In case of cash sale it is to be stored separately or remitted to a separate bank account. Credit sales are under reservation of title, to resellers against extended reservation of title and only be permitted if the creditworthiness of the customer is beyond doubt. The customer claims shall pass to us by way of the silent cession. Additionally, the commission agent shall remain the principal debtor for the payment of the purchase price.

4. The commission agent shall be entitled to the stated excess proceeds exceeding the minimum proceeds. Lower proceeds, thus those which are less than the minimum proceeds are to be, compensated for by the commission agent. The commission agent shall not be entitled to any other commission. The settlement will be carried out on a weekly basis. The commission agent shall allow us to inspect the books to be kept separately from the commission business and allow us to inspect the relevant documents at all times upon request.

5. We shall be entitled to take the goods handed over back and to access the rooms, in which the goods are located, at all times.