

GENERAL TERMS AND CONDITIONS

PLUEMAT Packaging Systems GmbH
 Dr.-Max-Ilgner-Straße 13, D-32339 Espelkamp
 Directors: Sven-David Plate, Frank Luebeck
 District Court Bad Oeynhausen – HRB 9791

1 Application and Validity

1.1 The following terms and conditions are applicable for all contract agreements that have been concluded at the corporate level between PLUEMAT Packaging Systems GmbH (hereinafter referred to as "PPS" in short) and the business partner. The respective version of these terms and conditions are also applicable for all business relationships in future and even if no express reference is made regarding their validity.

1.2 These terms and conditions are applicable exclusively; any conditions of the business partner contradicting, deviating or supplementing these are not taken cognizance of by PPS and are not binding on PPS, unless it has expressly confirmed its acceptance of their validity in writing.

1.3 These general terms and conditions are applicable even if PPS takes cognizance of any terms and conditions of the business partner deviating from these and executes the contract agreement without any reservations.

1.4 All mutual agreements between PPS and the business partner concerning the execution of the contract agreement must be in writing in order that they come into effect.

1.5 Silence on the part of PPS regarding legal declarations of the business partner never implies approval by PPS.

1.6 The business partner is not authorised to transfer the rights pertaining to and arising out of the contract agreement concluded with PPS to a third party without prior written approval of PPS.

2 Offer and conclusion of the contract agreement

2.1 Offers made by PPS are always subject to change without notice and are not binding. Orders placed on PPS are binding only when their acceptance has been confirmed by PPS; however, not before the contents of the contract agreement have been finalised with respect to all necessary details.

2.2 If the documentation submitted by the business partner is inadequate to be able to submit a specific offer, then PPS would initially prepare a verbal or written budgetary price offer, which serve as an orientation regarding the price and delivery, but, however, are not binding. Technical specifications or definitions made by the business partner regarding the subject matter of delivery constitute the significant basis for the agreement regarding the price and delivery schedule.

2.3 Documents, pictures, drawings and specifications regarding weight, measurement, performance and services, enclosed with the offer, merely represent samples and prototypes for information purposes only, provided that they have not been expressly defined as being final and binding. Pictures, drawings and specifications regarding weights, measurements and performance, as well as miscellaneous technical data or information merely denote the subject matter of the contract agreement and do not represent any guarantee regarding the characteristics or durability.

2.4 The contract agreement comes into effect with an order confirmation issued by PPS. Subsequent modifications are included either in a supplement to the offer or in the order confirmation. The written order confirmation is decisive regarding the type and scope of the deliverables. If such an order confirmation has not been issued then the delivery effected and / or the delivery note issued by PPS shall be construed to be the order confirmation.

2.5 PPS reserves all rights of ownership and copyrights for pictures, drawings, calculations and miscellaneous documentation and they may not be disclosed to third parties.

2.6 PPS reserves the customary commercial right to deviations and variations with respect to the performance specified in the pictures, drawings or other descriptions regarding the construction, shapes, dimensions, designs and other technical modifications, owing to which the use pertaining to the purpose stated in the contract agreement is not limited in any way, provided that these are considered reasonable by the business partner taking the interests of PPS into consideration and such that the business partner cannot put a stake to any claims derived from this.

2.7 A special offer is normally prepared for any modifications required in the tools, which are charged on the basis of actual costs incurred.

3 Prices and payment terms

3.1 The prices indicated by PPS are ex-works, exclusive of packing, freight, insurance and other incidental costs, which are charged separately, unless otherwise mentioned in the order confirmation.

3.2 Any statutory sales tax or VAT applicable is not included in our prices, which are indicated and billed separately on the invoice on the day of its issue at the rates applicable on that day.

3.3 If the wage bill and salary costs increase subsequent to the conclusion of the contract agreement then PPS is authorised to enhance its prices accordingly. This is not applicable within a period of 2 months after concluding the contract agreement or when, in specific cases, a binding fixed price has been mutually agreed upon. Regardless of any time limitation, PPS reserves the right to price enhancement in the event of any change in costs as a consequence of delays in the delivery schedule, which are attributable to the business partner.

3.4 As long as nothing to the contrary is mentioned in the order confirmation, payments become due and are to be made without delay to PPS after the receipt of an invoice or an equivalent payment schedule. The business partner is considered to be in default of payment at the latest if it does not make the payment within 30 days of the issue of the invoice or an equivalent payment schedule. Irrespective of this, the business partner is also in default of payment when a reminder is issued. In this case, PPS is authorised to claim interest on delayed payments to the tune of 8 percentage points above the basic interest rate. If PPS is in a position to provide evidence of loss on account of delayed payment, which is higher than the interest amount, then PPS is authorised to claim the same. The business partner can, on its part, prove that PPS has not incurred or incurred a significantly lower loss on account of delayed payment.

3.5 The set-off using counterclaims is excluded, unless the counterclaim has been taken cognizance of or has been declared as legally binding. The business partner can exercise the right of retention if its counterclaim pertains to the same contract agreement.

3.6 Drafts and cheques are accepted by PPS only for the purpose of fulfilment and by reserving all rights and without guarantee for timely submission. The payment is considered to have been made when PPS can avail of the payment made. For payments made with cheques, payment is considered to have been made when the cheque has been honoured and cashed and the amount has been credited.

3.7 PPS and the business partner can arrive at a mutual agreement that the business partner opens a Letter of Credit (L/C) at its own cost in a bank acceptable to PPS. In this special case, it is also agreed that the terms and conditions of the Letter of Credit conform to the standard customs and practice for Letters of Credit (version 1993, ICC Publication No. 500).

3.8 PPS is authorised, irrespective of anything contrary to the amount to be paid, to set off part payments made by the business partner, first against its previous arrears, and, in fact, first against the costs, followed by the interest accrued thereon, and, finally, against the principal claim.

4 Delivery and risk transfer

4.1 The delivery period mutually agreed upon begins, at the earliest, with the date of the order confirmation, but, however, not before the receipt of any advance payment agreed upon and the submission of relevant documents, approvals and clearances, if any, by the business partner.

4.2 The delivery period agreed upon is extended suitably if there are modifications made to the items to be delivered at the request of the business partner after the issue of the order confirmation and these modifications rule out the possibility of complying with the delivery period agreed upon.

4.3 If, as a result of acts of God (force majeure conditions) or owing to events that make it difficult or impossible for PPS to comply with delivery schedules agreed upon, for which PPS is not responsible, such as, for example, in the case of unforeseen difficulties in the procurement of materials, disruption of business operations, strikes, lockouts, manpower shortage, disruption in transport services or traffic or any official actions, then PPS is authorised to postpone the delivery schedule by the time period of the hindrance in addition to a suitable start-up time period or to withdraw from the contract agreement partially or completely on account of the incomplete part of the contract agreement. This is also applicable when such circumstances are faced by suppliers or their sub-suppliers and the delay in deliveries and services is not attributable to PPS.

4.4 PPS will inform the business partner regarding any foreseeable delay in deliveries as soon as possible. In the event of such intimation, the business partner is not authorised to withdraw or enforce claims for compensation against losses if PPS has not been informed in writing about a suitable period of at least two months prior to the delivery. After the expiry of this period, the business partner is obliged, at the request of PPS, to declare whether it would still like to have the delivery or withdraw from the contract agreement or enforce a claim for compensation for loss and damage. If the business partner does not submit any declaration within a suitable period of time defined by PPS for this purpose, then the business partner is no longer authorised to reject the delivery and can also not enforce any of the above-mentioned rights.

4.5 The compliance with delivery schedules is subject to correct and timely deliveries made to PPS by its suppliers. If PPS has entered into a hedging arrangement with any of its sub-suppliers for the execution of the contract agreement, and the latter does not comply with its delivery obligation, then PPS is authorised to cancel the contract agreement.

4.6 PPS is liable in accordance with legal provisions provided the delay in delivery is attributable to the non-compliance on the part of PPS with its obligations either deliberately or on account of gross negligence. In all other cases of delayed delivery, the liability of PPS is limited to compensation for loss or damage in addition to payment of 5 % of the value of the delivery and to compensation for loss or damage instead of payment of 10 % of the value of the delivery.

4.7 If the delivery is not possible, then the claims for compensation of loss and damage by the business partner apart from or instead of the payment, are limited to 10 % of the value of that part of the delivery, which owing to the inability to perform, cannot be used. All other claims by the business partner owing to disruption in the performance are excluded. This limitation is not applicable if legal provisions become applicable in the case of non-compliance with obligations resulting from deliberate action or gross negligence or on account of harm or injury to human life, the human body or the health of human beings.

4.8 The business partner cannot cancel the contract agreement before any performance becomes due or only in case of severe violation by PPS of its obligations. Cancellation of the contract agreement by the business partner is ruled out if the circumstances, which would justify cancellation, are attributable solely or primarily by it or occur during the period of delay in the acceptance by the business partner.

4.9 The delivery is effected either ex-works or ex-warehouse at the option of the business partner and at its cost. The risk of incidental loss and incidental deterioration of the item to be delivered is transferred to the business partner when PPS informs it regarding the readiness of the item to be delivered. If the business partner desires shipment of the delivery item, then the risk is transferred to the business partner as soon as the delivery item is handed over to the freight forwarder, the freight carrier or any other party nominated for the dispatch. The risk is transferred to the business partner even when the delivery is freight prepaid or when transportation using the freight resources of PPS has been agreed upon.

4.10 PPS is authorised to make partial deliveries and also to make deliveries ahead of the schedule with prior intimation regarding the early delivery. If the business partner incurs a delay with the fulfilment of his obligations to cooperate or with the acceptance of even merely one part delivery, then PPS is authorised, after the expiry of a time period of 2 weeks, to take necessary action on its own initiative as far as possible and to store or dispatch the items of the contract agreement at the cost and risk of the business partner or to cancel the contract agreement either partially or entirely and to claim compensation for loss and damage instead of the payment due. The right of PPS to make an independent sale remains intact.

5 Dispatches

5.1 The dispatch of an item of delivery can take place at the request of the business partner. As soon as the delivery item is ready for dispatch, the business partner is obliged to accept the same. The business partner would be informed promptly regarding the readiness for dispatch. If it becomes impossible for PPS to affect the dispatch without default, particularly if the dispatch is delayed at the request of the business partner or owing to default on its part, then the risk is transferred to the business partner with the intimation regarding the readiness of dispatch of the delivery item. When dispatching the goods, they are sent via suitable means of transport and routes to be defined by us and at the cost of the business partner.

5.2 If the dispatch is delayed by more than 2 weeks beyond the delivery schedule mutually agreed upon, or, when no delivery schedule has been agreed upon, is delayed by more than 2 weeks after intimation regarding the readiness of dispatch, then PPS is authorised to charge a flat rate of warehouse charges amounting to 0.5 % of the price of the delivery, however, subject to a maximum of 5 %, at the beginning of each month beyond this period. Both parties reserve the right to establish that higher or lower warehouse costs have actually been incurred for storage during this period.

5.3 Insurance cover for transit damage is provided only if mutually agreed upon and at the cost of the business partner.

5.4 The packing charges are included in the net cost price and are not withdrawn.

6 Notice of defects and guarantee

6.1 The business partner is obliged to inspect the delivery item for visible defects, which are conspicuous to an average customer. Visible defects include substantial and easily visible damages, delivery of another item or delivery of inadequate quantity. Complaints regarding such visible defects must be intimated by the business partner in writing promptly. The purchaser is entitled to claim liability for defects only if it has complied with its obligations for inspection and lodging a complaint in accordance with clause 377 of the HGB. In case of non-compliance with the obligation for inspection and lodging a complaint, the delivery item is construed to have been approved with respect to the concerned defect. Even those defects, which come to light subsequently, must be intimated to PPS in the form of a written complaint within 1 week from the time that they are noticed by the business partner; this must, however, be done latest within 6 months of the delivery. If defects or other complaints are not claimed in writing within these time periods then all guarantee claims against PPS shall lapse and be excluded.

6.2 In the event of a defect, PPS provides guarantee for complaints registered in time during a period of 1 year from the date of delivery at its own choice for complying with the

guarantee by removing the defect or by supplying a defect-free item (replacement), provided the business partner proves that the defect was present at the time of risk transfer. The costs incurred for the supplementary performance or delivery of a replacement item, particularly travel, material and transport costs, are borne by PPS.

6.3 If after supplementary performance on two occasions or replacement on one occasion, the defect present could not be set right, as well as for the situation that PPS refuses, delays in an undue manner to carry out the supplementary performance or replacement unjustifiably, or if the business partner cannot expect supplementary performance, and if clause 280 paragraph 2 of BGB or clause 323 paragraph 2 of BGB are applicable, then the business partner can invoke the legal remedy provided and enforce it in place of the supplementary performance or the replacement for cancellation and reduction of the scope as well as make claims for compensation of loss and damage and costs incurred by it based on the stipulation of the following provision. If the business partner opts to cancel the contract agreement, owing to a legal violation or a technical defect subsequent to unsuccessful supplementary performance, then he is not entitled to any claim for compensation on account of the defect or violation. If the business partner opts for compensation claim after unsuccessful supplementary performance, then the delivery item remains with it. The amount of compensation is limited to the difference between the purchase price and the value of the defective item. This is not applicable if PPS has violated the contract agreement maliciously or fraudulently.

6.4 In the event of a minor infringement of the contract agreement, particularly for marginal defects, the business partner is not entitled to cancel the contract agreement. The business partner cannot complain about any customary quantity deviations. The quantity actually supplied is calculated.

6.5 In the case of bought-out items, the defects liability of PPS is limited to the assignment of the claims, which PPS has against the supplier of the bought-out item. If the business partner cannot exercise his right for defects liability against the supplier of the bought-out item, then PPS furnishes the guarantee within the framework of these terms and conditions.

6.6 If the delivery item is subsequently brought to a place other than the plant of the business partner, and, as a result, the costs incurred are higher on account of transport, route, work and material costs for supplementary performance, then these increased costs are not to be reimbursed to the business partner, unless the delivery to another location is in line with the proper use of the subject matter of the contract agreement.

6.7 PPS does not provide any guarantee in the event of minor deviations from the properties and for marginal impairment of the usability as well as for damage, which is caused by improper use, incorrect installation by the business partner or any third party, natural wear and tear, incorrect or negligent handling, particularly excessive loading, substitute materials and chemical or electrical impacts, provided that the damage is not attributable to any fault on the part of PPS, whereby PPS is responsible merely for deliberate or gross negligence.

7 Liabilities

7.1 In the event of claims made by the business partner towards compensation for loss and damage, regardless of the legal ground, particularly on account of defects, violation of the contractual obligations or during the course of contract negotiations and resulting from impermissible handling, PPS is liable in the case of deliberate or gross negligence in accordance with the legal provisions. The same is applicable when representatives or workers of PPS for assisting with the performance obligations indulge in deliberate or gross negligence. The liability is otherwise excluded as long as significant contractual obligations have not been violated. The claim for compensation towards loss and damage on account of non-compliance with significant contractual obligations is, however, limited to typical contract-related losses that can be anticipated. The same limits are applicable in cases of gross negligence.

7.2 The above-mentioned limits of liability do not apply to the mandatory liability in accordance with the product liability act. Moreover, the limits of liability are not applicable in the event of contractual violation of human life, human body or health.

7.3 Claims for compensation against loss and damage of the business partner on account of a defect are time-barred up to one year from the date of risk transfer of the delivery item. This is not applicable if PPS can be accused of deceitfulness or mal-intent.

7.4 If technical information, recommendations and consultations are provided by PPS without any separate payment for the same, during the course of conducting its business, then this excludes any commitment or liability.

8 Right of ownership

8.1 The item of delivery remains in the ownership of PPS until all payments in accordance with the business relationship between PPS and the business partner have been made. The business partner may neither hypothecate nor assign the item of delivery by way of collateral prior to the transfer of its ownership in its name.

8.2 The business partner must inform PPS immediately using the fastest possible channel and must dispute situations where reserved goods or other items or payments, to which PPS is authorised, are hypothecated by third parties, initiate a case of solvency against the assets of the business partner or if any other detrimental situation is apprehended. Such intimation must be accompanied with the necessary documentation. Costs incurred as a result of such incidents must be reimbursed by the business partner.

8.3 If the business partner does not make payments that are due, or if it is in default of payment, then PPS is authorised, if a reasonable period of time has already been provided to the business partners, but, without payment being made within this period, to demand the return of the delivery item and / or to cancel the contract agreement; the business partner is obliged to release and return the delivery item. In the event of demand made for the return of goods delivered, there is no declaration of withdrawal from the contract agreement, unless this has been expressly declared.

8.4 The business partner may process and mix, blend or combine one of the delivery items given under the title retention with other items, within the framework of proper course of business unless it is in default of payment or has discontinued making payment at the time of processing the items. In the case of processing, mixing, blending or combining it is agreed that PPS has the right of joint ownership of the new item created as a result of the processing, mixing, blending or combining.

8.5 The business partner may resale one of the delivery items falling under the category of title retention and one item to which PPS has the right of joint ownership, within the framework of proper course of business unless it is in default of payment or has discontinued making payment. The business partner may not hypothecate or assign such a delivery item by way of collateral.

8.6 Sale abroad is permissible only with the prior written consent of PPS. If the business partner sells any of the items falling under the category of title retention, then it is obliged to assign all entitlements accruing to it from its purchaser, including all ancillary rights, by way of security to PPS until complete payment outstanding to PPS has been made. If, for deliveries made abroad in the country of import, certain measures or actions are necessary for making the above-mentioned title retention or rights of PPS effective, then the business partner must inform PPS accordingly and take appropriate action at its own cost. If the law in the country of import does not permit PPS to retain the title, but permits it to retain other rights to the item of security as the seller, then PPS can exercise all such rights. If an equivalent security for the claims of PPS against the business partner cannot be achieved by this, then the business partner is obliged to procure another suitable security for the delivery item to PPS at its own cost.

8.7 PPS can demand that the business partner furnishes information to it regarding the assignment of its consumers and provides to PPS all information and documents that are necessary for collection. The business partner may, however, collect the outstanding amount assigned to PPS as long as it is not in default of payments or it has not discontinued making payments. If the outstanding payments, due to the business partner due on account of the resale of the items included under ownership rights, are deposited in a current account, then the business partner is obliged to assign its payment claim from the respective or the acknowledged balance to PPS, and, in fact, for an amount pertaining to the outstanding amount from the resale of the items given under the ownership rights.

9 Technical documentation, industrial property rights and obligation of secrecy

9.1 If the business partner furnishes drawings, models or prototypes for the execution of the contract agreement, then it shall bear the onus of infringement of industrial property rights of any third parties.

9.2 If any third party invokes industrial property rights belonging to it and prohibits PPS from making use of the same, then PPS is authorised to discontinue its deliveries and services without checking the circumstances and the legal position. The business partner will be promptly informed about the same. The business partner will indemnify PPS against any claims arising out of copyrights, trademark or patent rights, unless PPS itself were responsible for the violation of the industrial property rights.

9.3 Patents and copyrights, which are developed by PPS in the course of fulfilling its obligations within the framework of the contract agreement, authorise PPS exclusively, in the absence of any other written mutually acceptable agreement, to register for corresponding industrial property rights. This is applicable even if the business partner was involved and associated with development.

9.4 The business partner is authorised to use the patents and prototypes referred to in the previous clause without any time-related or geographical constraints for the purpose and content of the contract agreement concluded with PPS. This right of use is compensated for with the payments mutually agreed upon.

9.5 PPS reserves the right to ownership and copyright of the cost estimates, drafts, construction proposals, data media, software and similar documentation provided by it. These may be made accessible to third parties only with the prior written consent of PPS. This is particularly applicable to documents that have been marked as "Confidential".

9.6 PPS brings to the notice of the business partner that personal data pertaining to the staff of the business partner would be used only for the purpose of execution of the contract agreement and would be processed, stored and communicated to those responsible for customer liaison and support of the business partner. The information is not furnished to third parties for any other purpose. The business partner also declares, at the time of issuing the order, that it accepts the fact its data will be processed, stored and communicated in electronic form.

10 Confidentiality (Non disclosure)

10.1 "Confidential" includes all information, which has been furnished by PPS or any of its group companies during the course of contract negotiations or within the framework of the contract execution and which are related to the subject matter of the contract agreement, to PPS or its group companies and which were previously not officially accessible either to the business partner or its group companies without the obligation of treating the same confidentially.

10.2 Information is no longer treated as confidential information if it has become officially accessible without violating the non-disclosure clause or has been furnished to the business partner by another party without the obligation of handling the same in a confidential manner.

10.3 The business partner will handle all the confidential information with strict confidentiality and will neither disclose, divulge, make it accessible to third parties nor publish the same. It will limit the access to the confidential information exclusively to its business manager, employees or consultants, who must have the information for the execution of the contract agreement and will oblige these persons also to handle the information with corresponding confidentiality.

10.4 At the request of the PPS and / or when an offer submitted by PPS is not accepted, the business partner and its group companies will promptly return all information submitted in material form and all copies made thereof. Electronic files must be deleted in such a manner that they cannot be recovered.

10.5 The obligations of the business partner arising out of the obligation towards confidentiality shall terminate 10 years after their respective disclosure.

11 Special provisions for plastic components

11.1 In the event of a contract agreement, which includes the delivery of plastic components, and if the performance is affected on grounds attributable to the business partner and leads to non-execution of the contract agreement, then PPS is authorised, without any limitations or constraints in this respect, to claim fixed compensation for loss and damage amounting to 20 % of the total value of the contract agreement, whereby the business partner reserves the right to establish that either no loss has been incurred or that the loss incurred is significantly lower than the fixed amount.

11.2 Moulds, tools and other manufacturing equipment for the production of plastic components remain in the ownership of PPS.

11.3 The tasks necessary for defects removal or providing supplementary performance for plastic components within the framework of the guarantee clause are carried out exclusively at the business premises of PPS; the business partner is, thus, obliged to send the defective goods for this purpose back to PPS at its request and costs.

11.4 Standard variations or deviations, particularly with respect to dimensions and weight, in the colour tone of the paint and pigmentation do not represent any defects as far as plastic components are concerned.

12 Place of performance, jurisdiction, choice of law and language

12.1 The place of performance for deliveries and payments is Espelkamp.

12.2 If the business partner is a dealer, legal person governed by public law or one in charge of funds under public law, then the place of jurisdiction for any direct or indirect disputes arising out of the contract agreement shall be that where the headquarters of PPS is located. The same shall be applicable if the business partner does not have any general place of jurisdiction in Germany or its domicile or usual place of residence at the time of filing the legal action is unknown. However, PPS is authorised to file a suit at the place where the office of the business partner is located.

12.3 The legal relations between the business partner and PPS are exclusively subject to the laws of the Federal Republic of Germany. International sales law (UN Convention / Contracts for International Sale of Goods, CISG) or any other interstate law, as long as legally permissible, is excluded.

12.4 The language of the contract agreement is German. The German version of these terms and conditions is decisive and final.

13 Severability clause

If any of the provisions contained in this agreement, either in part or in full, should be or become null and void or should there be any loopholes in these terms and conditions, then this shall not affect the validity of the remaining provisions in this agreement.