

**General Terms and Conditions of Sale and Delivery
of
Strauss Verpackungsmaschinen GmbH**

(1) Area of application

All deliveries and services of Strauss Verpackungsmaschinen GmbH are carried out exclusively on the basis of the following General Terms and Conditions of Sale and Delivery (AGB). These apply to all orders and order placements transmitted electronically, by telephone, facsimile, letter or e-mail by the customer.

Deviating, conflicting or supplementary terms and conditions shall not become part of the contract unless their validity has been expressly agreed in writing. The reference to the customer's terms and conditions is objected to expressly.

Amendments or supplements to these general terms and conditions of sale and delivery must be made in writing in order to be effective.

(2) Offer / order confirmation

All offers of Strauss Verpackungsmaschinen GmbH are subject to confirmation. Catalogues, brochures and illustrations contained therein which are handed over with the offer for information purposes are to be regarded as descriptions and are non-binding. Drawings and concepts individually prepared for the customer remain the property of Strauss Verpackungsmaschinen GmbH and may only be made accessible to third parties with the prior written consent of Strauss Verpackungsmaschinen GmbH.

Contracts are concluded only by written order confirmation of Strauss Verpackungsmaschinen GmbH, alternatively by delivery of the goods. The content of the order confirmation is decisive; changes and subsidiary agreements require written confirmation by Strauss Verpackungsmaschinen GmbH in order to be effective.

(3) Delivery / transfer of risk

A binding delivery date is only agreed upon if it is confirmed in writing by Strauss Verpackungsmaschinen GmbH. All other delivery dates are non-binding and depend on the incoming supply by suppliers.

A binding delivery date shall be deemed to have been met if readiness for dispatch has been declared or if the delivery is dispatched to the customer on this date.

The delivery date shall be reasonably adjusted in the event of industrial disputes, in particular strikes and lock-outs, accidents, mobilization, war, as well as the occurrence of other unforeseen obstacles which cannot be influenced by Strauss Verpackungsmaschinen GmbH and which have a considerable influence on the completion or delivery of the delivery item. This also applies if such circumstances occur at a supplier of Strauss Verpackungsmaschinen GmbH.

In the event of a delay in delivery for which Strauss Verpackungsmaschinen GmbH is responsible, the customer can only withdraw from the contract after setting a reasonable period of grace. The reasonableness of the grace period to be set shall take into account whether the delivery item originates from series production or was manufactured at the customer's request.

Partial deliveries are permissible and will be invoiced with their execution. Additional shipping costs do not arise from this.

The risk of loss of the delivery item shall pass to the customer when the delivery item has been handed over to the carrier or forwarding agent, at the latest upon leaving the factory.

The customer is obligated to inspect the delivery item immediately upon receipt. Obvious, externally recognisable damage must be immediately reported to the carrier or forwarding agent and recorded in writing.

If dispatch is delayed due to circumstances for which the purchaser is responsible, the risk shall pass to the purchaser on the day on which the goods are ready for dispatch. In this case Strauss Verpackungsmaschinen GmbH is obligated to take out the insurance against damage demanded by the customer at the customer's request and expense. However, Strauss Verpackungsmaschinen GmbH is entitled to charge the customer, starting one month after notification of readiness for dispatch, storage costs amounting to 0.5 percent of the invoice amount for each month or part thereof, but no more than 5 percent of the invoice amount, unless the customer proves lower storage costs or Strauss Verpackungsmaschinen GmbH proves higher storage costs.

(4) Prices / payment

Unless a fixed price has been agreed upon in writing, prices shall be determined on the basis of the list price valid on the day of delivery. Packaging costs will be charged separately. As far as packaging is necessary, Strauss Verpackungsmaschinen GmbH calculates this itself to cover costs; there is no obligation to take back the packaging.

All prices are quoted ex works plus statutory value added tax. This will be shown separately in the invoice. The deduction of discount requires a special written agreement.

For services provided by Strauss Verpackungsmaschinen GmbH, the current hourly prices shall apply.

Assembly costs and commissioning costs for assemblers of Strauss Verpackungsmaschinen GmbH including the costs of the arrival and departure route (car, train, flight), catering and accommodation on site will be charged separately. The same applies to costs for necessary assistants and additional material.

Unless otherwise stated in the order confirmation, the purchase price is due without any deduction within 10 days of the invoice date. If the customer is in default of payment, Strauss Verpackungsmaschinen GmbH is entitled to demand default interest of 8 pc above the respective discount rate of Deutsche Bundesbank per year (Section 288 para. 2 of the German Civil Code (BGB)).

If Strauss Verpackungsmaschinen GmbH is able to prove a higher damage caused by delay, it is entitled to assert this. However, the customer shall be entitled to prove that no damage or substantially less damage has been incurred as a result of the delay in payment. In the event of default, Strauss Verpackungsmaschinen GmbH is also entitled to demand immediate payment of all claims based on the same legal relationship.

Bills of acceptance or cheques shall not be deemed payment; they shall only be accepted on account of payment, subject to reservation, and shall be charged to the customer with the collection costs and discount charges incurred.

The customer is only entitled to offset if the counter-claims have either been legally established or are undisputed or acknowledged by Strauss Verpackungsmaschinen GmbH. The customer is only entitled to exercise a right of retention insofar as the counter-claims are based on the same contractual relationship.

Several customers shall be liable as joint debtors.

(5) Retention of title / release clause

The delivered goods shall remain the property of Strauss Verpackungsmaschinen GmbH until full payment of all claims existing within the framework of the existing business relationship.

The customer is obligated to insure the reserved goods immediately after receipt against fire, theft, breakage, water and other damage. If the customer does not comply with this obligation, Strauss Verpackungsmaschinen GmbH is entitled to take out a corresponding insurance policy at the customer's expense.

The customer is obligated to inform Strauss Verpackungsmaschinen GmbH immediately in the event of seizure, confiscation, damage or loss of the reserved goods.

Resale of the reserved goods to third parties requires the written consent of Strauss Verpackungsmaschinen GmbH. In the event of resale, the customer assigns the claims to Strauss Verpackungsmaschinen GmbH. At the request of Strauss Verpackungsmaschinen GmbH, the customer is obligated to provide all information necessary to assert the rights of Strauss Verpackungsmaschinen GmbH against the third party. Amounts received from the resale are to be immediately allocated to Strauss Verpackungsmaschinen GmbH up to the amount of the outstanding claim.

In case of connection and processing with third-party goods by the customer, the provisions of Sections 94, 948 BGB shall apply with the consequence that the co-ownership of the new object is now the reserved property of Strauss Verpackungsmaschinen GmbH within the meaning of these provisions. In the case of resale of the reserved goods by the customer after combination and processing with third-party goods, the customer assigns the claims to the amount of the invoice value of the reserved goods to Strauss Verpackungsmaschinen GmbH.

If the value of the securities existing for Strauss Verpackungsmaschinen GmbH exceeds the total claim to be secured by more than 20 pc, Strauss Verpackungsmaschinen GmbH is obligated to release securities to this extent at the customer's request. Strauss Verpackungsmaschinen GmbH can choose which securities are released.

In the event of the occurrence of a security case, Strauss Verpackungsmaschinen GmbH is entitled, in accordance with the above provisions, to make use of its retention of title by taking back goods. In this case Strauss Verpackungsmaschinen GmbH is entitled to sell the goods by private contract or to have them auctioned. The reserved goods shall be taken back at the proceeds obtained, but at most at the agreed delivery prices. Further claims for damages, in particular lost profit, remain reserved.

(6) Warranty

The warranty period for newly manufactured machines and equipment is 1 year, calculated from the transfer of risk. This period is a period of limitation and also applies to claims for compensation for consequential harm caused by a defect, insofar as no claims are asserted in tort. The warranty shall be excluded for used machines and plants.

The customer is responsible for the correctness and completeness of all information provided to Strauss Verpackungsmaschinen GmbH for the execution of the order (e.g. dimensions, shipping addresses, &c.). Errors in this respect on the part of the customer cannot justify a defectiveness. This also applies to an insignificant deviation from the agreed condition, normal wear and tear or damage caused by improper modifications or repair work carried out by the customer or third parties without the prior written consent of Strauss Verpackungsmaschinen GmbH which do not correspond to the maintenance or service plan provided. In this case the warranty claim shall expire.

The customer shall only be entitled to assert warranty claims if the said has inspected the goods immediately after delivery, insofar as this is feasible in the ordinary course of business, and the said has notified Strauss Verpackungsmaschinen GmbH immediately of any defects that occur. If such a defect becomes apparent at a later date, the customer must give notice immediately after discovery of the defect; otherwise the goods shall be deemed to have been accepted even in view of this defect. Section 377 of the German Commercial Code (HGB) shall apply.

If there is a defect for which Strauss Verpackungsmaschinen GmbH is responsible, Strauss Verpackungsmaschinen GmbH is entitled at its discretion to remedy the defect or to make a replacement delivery.

Insofar as the customer has duly fulfilled the obligations of inspection and notification of defects, the said is *obligated to set* Strauss Verpackungsmaschinen GmbH a reasonable period of time to remedy the defect or to make a replacement delivery

(subsequent performance). Until the expiry of this period, the purchaser is neither entitled to withdraw from the contract nor to reduce the purchase price (abatement).

If the removal of the defect or replacement delivery fails ultimately, the customer is entitled to withdraw from the contract.

(7) Liability

Strauss Verpackungsmaschinen GmbH shall only be liable for damage which has not occurred to the delivery goods themselves - regardless of the legal grounds - in the following cases

- (a) in case of intent,
- (b) in the event of gross negligence on the part of the owner / the bodies or executive employees,
- (c) in case of culpable injury to life, body, health,
- (d) for defects which were maliciously concealed,
- (e) within the framework of a guarantee promise,
- (f) in the event of defects in the delivery goods, insofar as liability is assumed under the German Product Liability Act for personal injury or property damage to privately used goods.

In the event of gross negligence, breach of contractual obligations or essential contractual obligations, however, the obligation to pay compensation shall be limited to the foreseeable damage typical of the contract. Strauss Verpackungsmaschinen GmbH shall also be liable in the event of culpable breach of essential contractual obligations in the event of gross negligence on the part of non-executive employees and in the event of slight negligence, in the latter case limited to the reasonably foreseeable damage typical of the contract. Strauss Verpackungsmaschinen GmbH is therefore not liable for damage that has not occurred to the delivery goods themselves; in particular, the said is not liable for lost profits or other financial losses of the customer.

Insofar as liability is excluded or limited, this also applies to the personal liability of employees, workers, co-workers, representatives and vicarious agents of Strauss Verpackungsmaschinen GmbH.

(8) Industrial property rights / use of software and copyrights

The statutory provisions for industrial property rights shall apply. The software modules used in the machines and plants of Strauss Verpackungsmaschinen GmbH are protected by copyright, Section 69a of the German Copyright Act (UrhG).

Insofar as software is included in the scope of delivery, the customer shall be granted a non-exclusive right to use the delivered software including its documentation in the contractual condition. It shall only be made available for use on the delivered goods intended for this purpose. Use of the software on more than one system shall be prohibited.

The customer may only reproduce, revise, translate or convert the software from the object code to the source code to the extent permitted by law (Sections 69a ff. UrhG). The customer undertakes not to remove manufacturer's details - in particular copyright notices - or to change them without the prior express consent of Strauss Verpackungsmaschinen GmbH. All other rights to the software and the documentation including copies remain with Strauss Verpackungsmaschinen GmbH or the software supplier. Sub-licensing shall not be permitted.

(9) Miscellaneous

Technical drawings, illustrations, weight and dimension specifications in the brochures are not binding for the execution. The right to make technical changes shall be reserved expressly.

A verbal or written application-technical consultation by Strauss Verpackungsmaschinen GmbH does not release the customer from own examination of the goods for their suitability for the intended purposes and processes. For machines and devices and parts that are not manufactured by Strauss Verpackungsmaschinen GmbH, the warranty conditions of the manufacturer shall apply. Trial deliveries shall be treated as gently as possible by the requester. Any changes are prohibited. Any defects or damage which occur and which are attributable to improper handling shall be borne by the requester.

(10) Applicable law / place of performance / place of jurisdiction

For all legal relationships between Strauss Verpackungsmaschinen GmbH and the customer, the laws of the Federal Republic of Germany applicable to legal relationships between domestic parties shall apply exclusively. The application of the UN Convention on Contracts for the International Sale of Goods (CISG), the Uniform Laws on the International Sale of Goods of 17 July 1973 (Federal Law Gazette 1973 I, page 856) as well as of the conclusion of international purchase contracts for movable goods (Federal Law Gazette 1973 I, page 888) shall be excluded.

Place of performance for deliveries and payments arising from the contractual relationship for both parties shall be Buxtehude, Germany.

The place of jurisdiction shall be the court responsible for the registered office of Strauss Verpackungsmaschinen GmbH. However, Strauss Verpackungsmaschinen GmbH shall be entitled to take legal action at the customer's headquarters.

(11) Final clause

If any provision of this contract should be invalid, this shall not affect the validity of the remaining contract.