

General Business Conditions

I. Purview

Our business conditions, on which all agreements and offers are based, are acknowledged by placing of an order or acceptance of delivery. Conditions which differ from these are ineffective, even if we do not expressly contradict them. They apply only if in individual cases we acknowledge them in writing.

Telephoned or oral arrangements require our written confirmation for their legal effectiveness unless they have been agreed on our part by the business management or by an authorised member of the staff.

II. Contract

Our offers are without engagement and subject to proper and punctual self-delivery in so far as there is no express reference to their engagement. The documents concerning the offer, such as illustrations, drawings and details of weights and measures are only approximately decisive where they are not expressly described as binding. A tacit delivery on our part shall be regarded as equivalent to written confirmation of the order.

III. Delivery

- a) The dispatch, which we may also carry out from a third location, is effected at the buyer's risk. Complaints concerning transport damage etc. must be lodged with the transporter.
- b) The delivery is effected carriage forward unless otherwise agreed in writing.
- c) The mode of packing remains our responsibility: it is carried out in accordance with the custom of the trade. We are not liable for damage during transport.
- d) Our articles, in particular string, cord, sisal cord and synthetic cord, are weighed and calculated gross for net in factory packing customary in the trade (packets, cartons, sacks). In the case of cross spools, paper casings are also weighed, included in the calculations and not taken back.
- e) With regard to repeat orders, the remark "as before" refers only to the type, sort and make-up of the goods delivered, but not to the price.
- f) In the absence of special arrangements, the customary normal make-up, lengths, widths and thicknesses are delivered.
- g) Part deliveries are permissible.
- h) The right is reserved to effect technical alterations and deviations from the models in so far as they are technically and fashionably reasonable and acceptable to the customer.

IV. Delivery periods

The delivery period applies subject to unforeseen obstacles for which neither we nor our sub-contractors can be held responsible. In the event of delay in delivery the buyer is entitled and obliged to grant us a reasonable written extension of time. Cancellation of the order on account of a non-observed delivery period may only be effected where the goods were not announced as being ready for dispatch within an extended time period. All the buyer's claims, in particular claims for compensation arising from non-fulfilment or belated fulfilment are, in the absence of any other agreement, excluded, unless it can be proved that we or our servant were guilty of gross negligence.

V. Notification of defects

- a) Our customer is under the obligation to examine the goods or the service after receipt as to quantity and quality. Recognisable defects must be announced in specified written form at the latest within 8 days of receiving the goods or provision of the service, concealed defects immediately after they have been discovered. In the event of a justified and punctually registered objection to the goods or the service, and the existence of a not merely inconsiderable defect, we are obliged, according to our choice, to make good the defect or to provide a replacement delivery following prior return of the goods which are the object of the complaint. Only after failure to make good the defect or to provide a replacement delivery is the customer entitled to demand reduction or avoidance of sale. Farther reaching claims against us are excluded, unless it can be proved that we or our servants were guilty of gross negligence. The absence of an assured quality is treated like a defect within the meaning of the above statements.
- b) Notification of defects can be registered only up to the beginning of processing of the goods delivered.
- c) Minor customary, technical or raw material-conditioned deviations in quality, weight, quantity, make-up or colour do not pass for defects. In view of the varying behaviour patterns of the goods, no liability can be accepted for the utilisation or the manner of utilisation of the goods or for the maintenance of the theoretical lengths.

VI. Payment conditions

The calculations are worked out according to our prices and conditions valid on the day the contract was concluded. Should a period of at least 4 months lie between conclusion of the contract and delivery, the prices and conditions valid on the day of delivery are applicable. In the absence of any other agreement all prices shall be considered as being from the factory and plus the appropriate statutory value added tax.

- b) As regards payments, settlement day shall be regarded as the day on which we can effectively dispose of the amount.
- c) Cheques and bills of exchange are not regarded as a means of payment until the day of value availability. Their acceptance is effected not as in place of payment, but as payment. Ensuuing discount charges, as well as all expenses resulting from the acceptance, transfer and dishonouring of any payment document shall be debited to the client. We accept no guarantee for the punctual protesting of bills of exchange. Arrears of payment, stoppage of payment, application for bankruptcy, application for a settlement or moratorium, have as a consequence the immediate maturity of our entire demands without consideration for the running period of incoming bills of exchange.
- d) Setting off on the customer's part is only permissible where counterclaims are concerned which we have acknowledged or have been established to be legally valid. The buyer may exercise a retention right only if it is based upon the same contractual relationship. Reductions which are not expressly agreed will not be recognised.
- e) Subject to other legal consequences, in the event of arrears of payment interest will be levied at the customary bank rates.
- f) Third parties are entitled to collect only with the written power of attorney of the vendor.

VII. Reservation of title

We reserve the title to all the goods supplied by us until all – including subsequent – demands arising from the business relations with us have been fulfilled. Taking back the goods supplied with reservation of title does not amount to withdrawal from the contract.

In so far as in the event of combining, blending or processing the goods we have supplied co-ownership shares result by virtue of the law, these shares are deemed to be reserved title goods within the meaning of these conditions.

If and in so far as our customer in the event of processing nevertheless acquires ownership or co-ownership of the newly produced commodity, it is already agreed at this stage that the customer's ownership or co-ownership is assigned to us to secure all of our demands, also those in the future, arising from the business relationship or any other legal title. As borrower, the customer remains entitled to the immediate possession or co-possession of the new commodity. The co-ownership shares assigned to us as security are regarded as reserved title goods within the meaning of these conditions.

The buyer shall adequately insure the reserved title goods, especially against fire and theft. Claims against the insurance arising from cases of damage affecting the reserved title goods are already at this stage assigned to us.

The buyer shall inform us immediately of any attachment or other form of encroachment upon our reserved title or security rights by third parties and shall confirm these rights in writing, both to third parties and to ourselves. The buyer is forbidden to pledge or transfer as security or to assign these rights.

Should we become aware of circumstances which make the buyer's solvency appear doubtful, we are entitled to demand without notice immediate surrender. All our demands then become due immediately.

The buyer already assigns to us at this stage his claims arising from the further sale of the reserved title goods, together with all accessory claims. In the event of the reserved title goods being sold for an overall price by the purchaser together with goods which do not belong to us, the assignment hereby executed shall be effective only to the extent of the amount which we have calculated for the purchaser in respect of the jointly sold reserved title goods. In the event of the purchaser's claim from the further sale being put into a current account, the buyer hereby already also assigns his claim from the current account vis-à-vis his customer, in the amount of the sum which we have calculated to him for the onward sold reserved title goods. We hereby accept the assignment.

On demand of the vendor the buyer is obliged to pass to the vendor all the information necessary to pursue the latter's claims against the customers, and to hand over all the necessary documents.

Should the value of the security given to the vendor exceed his overall demands by more than 20 %, the vendor is obliged, on the demand of the buyer, to release the securities to this extent.

VIII. General

The place of performance and the sole place of jurisdiction for both parties is Hamburg, also with regard to letters of credit and cheque claims, as well as disputes of all kinds in so far as our customer is a registered merchant.

The laws of the Federal Republic of Germany shall apply.

Should a provision be ineffective, this will not affect the validity of the other provisions. In place of the ineffective provision an agreement shall apply which most closely approximates to the intended business purpose.