

**General Terms and Conditions of
Ziegler & Co. GmbH, Dr.-Heinrich-Hohenner-Str 4,
95632 Wunsiedel, Germany**

1. Definition

Throughout the following General Terms and Conditions Ziegler & Co. GmbH or supplier means Ziegler & Co. GmbH, with place of business at Dr.-Heinrich-Hohenner-Str. 4, 95632 Wunsiedel, Germany, commercial register Hof (registered in the commercial register B, no. 1268).

Client purchaser or customer means all natural persons or legal entities with whom Ziegler & Co. GmbH intends to conclude a contract, has already concluded a contract, or to whom a quotation has already been submitted and for whom orders have been executed or services have been provided by Ziegler & Co. GmbH.

2. Scope

The following General Terms and Conditions shall serve as the basis for all quotations, contracts, agreements and services between Ziegler & Co. GmbH and its clients by whom these terms are accepted. Alterations to these terms or an exclusion as well as alternating terms provided by the client shall only be binding if Ziegler & Co. GmbH has agreed to them in writing. This shall also be the case if Ziegler & Co. GmbH has not explicitly objected against the terms provided by the client. Should one of the provisions of these General Terms and Conditions be or become ineffective this shall not affect the validity of the remainder of the Terms and Conditions.

3. Quotation and ordering

All quotations submitted by Ziegler & Co. GmbH are subject to change and are only binding during the given period of validity. When a client places an order he shall be bound to that order for 14 days. A binding contract will only be concluded after Ziegler & Co. GmbH has confirmed the client order in writing. This confirmation shall be delivered as a printed document by mail or it can also be transmitted by electronic means. Additional agreements to contracts which have already been concluded or their subsequent amendment have to be confirmed in writing by Ziegler & Co. GmbH.

4. Scope of delivery, range of service, passing of risk

The scope of delivery and range of service result from the confirmation of the order by Ziegler & Co. GmbH or, if a confirmation of the order has not been forwarded, from the quotation on which the order is based. The client bears the risk of transport etc. The risk of accidental loss or deterioration of the goods is being transferred to the purchaser as soon as the goods are dispatched to the haulage contractor, carrier, or to another person or party responsible for shipping/transport of the goods.

5. Prices and payment

a) Unless fixed prices have not explicitly been agreed on beforehand the prices as being listed in the Ziegler & Co. GmbH price list which is valid on the day of shipment of the goods shall apply.

The prices are stated as net prices in Euros ex works/ex warehouse without loading or handling charges excluding the applicable VAT and also without any other additional taxes or customs duties.

In the case of permanent supply contracts which exceed a term of 3 months Ziegler & Co. GmbH reserves the right to adjust the price should higher costs be incurred. The client has a right to rescind the contract if the price increase exceeds 5 (five) percent.

b) All invoiced amounts are due in full without any deductions within the agreed term of payment. Should the client be in default with the payment Ziegler & Co. GmbH shall be entitled to charge the usual bank interest rates.

In the event that the client is in default with the payment of the invoice amount interests at 8 (eight) percent above the respective base interest rate p. a. shall accrue which Ziegler & Co. GmbH is entitled to. The right to enforcement of a greater damage due to delay in performance remains unaffected.

Also in the case of deferment of payment all claims brought forward by Ziegler & Co. GmbH are due at once if the client does not meet the terms of payment and/or Ziegler & Co. GmbH is being informed about or discovers facts pointing towards a questionable creditworthiness of the client.

The client can only come forward with counterclaims if these have been found to be legally final and absolute, beyond dispute or have been accepted by Ziegler & Co. GmbH. The client is only entitled to enact his right of retention if his claim is based on the same contractual relationship.

6. Reservation of ownership

Ziegler & Co. GmbH reserves all rights of ownership of the goods delivered until all invoices arising from this business have been paid in full by the client. In case payments have to be made into a current account Ziegler & Co. GmbH reserves all rights of ownership of the goods delivered until the balance of this current account has fully been settled by the client. In case of payment by cheque or by bill of exchange all rights of ownership to the goods are passed on to the client after the cheque has been cleared or the bill of exchange has been remitted.

Should the client defer payments and fails to pay in full within a set period Ziegler & Co. GmbH is entitled to rescind the contract and to demand the goods back. The right to claim damages remains unaffected in this case. The client is always obliged to take good care of the unpaid goods already delivered to him, to protect the goods against dangers such as fire, water damage, theft and to adequately insure them at their replacement value. The client is obliged to inform Ziegler & Co. GmbH without delay in case an execution is being issued against the client or in any other case when a third party intervenes in the business relation between Ziegler & Co. GmbH and the client. Furthermore, the client transfers all claims which might be brought forward by Ziegler & Co. GmbH and which arise from the resale of the goods to other purchasers to the extent of the total invoice amount including VAT to Ziegler & Co. GmbH irrespective of whether the goods which Ziegler & Co. GmbH delivered to him beforehand have been processed or not by the client.

All manufacturing, processing or redesigning of the delivered goods carried out by the client is always done for Ziegler & Co. GmbH. If the goods delivered to the client are being mixed, blended or amalgamated with other objects, matter or goods which were not property of Ziegler & Co. GmbH before then Ziegler & Co. GmbH acquires co-ownership of the newly created good with an ownership share proportional to the value of the goods delivered and the other mixed goods at the time of mixture or blending. If necessary the ordering party or customer transfers the co-ownership of the finished good proportionately to Ziegler & Co. GmbH.

7. Complaints, warranty, liability

The client is obliged to check the goods immediately upon receipt at his own expenses. If any defects or damages are found they have to be stated on the consignment note which has then to be signed by the driver or person who delivered the goods to the client. The client has to inform Ziegler & Co. GmbH in writing about any defects or damages or about other complaints within 48 hours after the goods were received and checked. If the client fails to inform within this period he loses his entitlement to warranty against defects for all instances which could have been found on thorough examination of the goods.

Other damages or defects have to be reported in writing to Ziegler & Co. GmbH within 8 days. Due notice is given by timely transmission or posting of the report. The client bears the burden of proof for all warranty claims, for the defect itself, for the point of time when the defect has been discovered and for timely reporting of the complaint as well as for faults or negligence at Ziegler's side should the goods have been damaged after the passing of the risk (e.g. spoilage or pest infestation). Ziegler & Co. GmbH assumes no responsibility for consequential damages of other purchasers' goods.

In case of complaints Ziegler & Co. GmbH reserves the right to inspect the goods delivered or have them inspected by a third party (e.g. by a competent expert or specialist). The client bears the costs of these inspections should the complaint prove to have been unjustified.

Ziegler & Co. GmbH should mainly be regarded as a wholesaler. Therefore, the client has to ensure by implementing appropriate safety or quality control measures that, before the goods are packed or filled in packs or bundles for the end-consumer or before they are further processed, foreign matter or materials in the goods or other defects will be discovered and that the goods will not be delivered and sold to end-consumers with such defects. Ziegler & Co. GmbH can not be held responsible for any consequential damages arising from further processing, mixing or blending or packaging. In case a complaint is brought forward by the client the existing contract between Ziegler & Co. GmbH and the client and these prevailing General Terms and Conditions remain to be effective without any restrictions and a complaint does not release the client from his contractual responsibilities.

All warranty claims are subject to a limitation period of 1 (one) year after delivery of the goods and become statute-barred afterwards.

Any reconsignments of goods already delivered back to Ziegler & Co. GmbH must first be approved by Ziegler & Co. GmbH in writing and the goods have to be returned in the original or in an identical bundle or package. Any monies arising from legitimate warranty claims will be credited after approval by Ziegler & Co. GmbH. Warranty claims will only be acknowledged if brought forward in writing. Ziegler & Co. GmbH is not liable for slight negligent conduct. In case Ziegler & Co. GmbH is liable then the clients' claim to damages is limited to the corresponding amount covered by Ziegler's third party liability insurance with a maximum amount of 5 Million Euros.

a) Delivery, delay in delivery, impossibility

Ziegler & Co. GmbH is not liable for breach of contract or interruptions or breakdown in the supply chain due to a third party's fault or due to an act of God, official actions by authorities or due to interruption of operation at Ziegler's or at Ziegler's suppliers' sides (sudden breakdown of suppliers' or manufacturers' ability to deliver, loss of their registration of bio standards, wars, acts of terrorism, natural disasters or breakdown of the water supply at the manufacturers' side.) In this case, Ziegler & Co. GmbH may offer its clients other and comparable goods, possibly at a higher price and shall also be entitled to extend an agreed delivery deadline by the duration the interruption has hindered the original delivery. In case of impossibility Ziegler & Co. GmbH shall have the right to rescind the contract without any liability for compensation.

8. Place of performance, place of jurisdiction, applicable law

German law applies. If the client is a merchant, a legal person under public law or is administering special assets the place of business of Ziegler & Co. GmbH is the sole place of jurisdiction for any disputes including actions arising out of bills of exchange or cheques. This shall also apply if the contractual partner has no general place of jurisdiction in Germany or if his usual place of abode is unknown at the time the action was filed.

If one of the provisions of these general terms and conditions should be or become ineffective in accordance with the applicable law, this shall not affect the validity of the remainder of the General Terms and Conditions.

The ineffective clause shall, as far as possible, be replaced with a permissible clause which approximates as closely as possible to it in effect.

9. Data protection

The client consents to the fact that his personal data is saved, stored and archived. Any liability for breach of contract under the Data Protection Act is excluded as far as permitted by law. All data and information in connection with offers, quotations and contracts between Ziegler & Co. GmbH and its clients remain the sole property of Ziegler. It is not permitted that the client forwards such data and information to third parties without Ziegler's consent but the client may use the data for internal use and in connection with the offer.