

**General Terms and Conditions of Delivery and Payment
of the Company HANS KOLB Wellpappe GmbH & Co. KG
(as of May 2003)**

1 Conclusion of the Contract, Written Form

1. Except where otherwise contractually agreed upon in individual cases, supply contracts shall be concluded only on the basis of these terms and conditions. These terms and conditions apply in relation to entrepreneurs, legal entities under public law and special funds under public law.
2. Deviating or supplementary purchasing terms and conditions of the client shall only be valid upon their written recognition by the contractor. The contractor's terms and conditions shall apply even if the contractor unconditionally makes delivery to the client despite knowing of terms and conditions of the client which conflict with or deviate from its terms and conditions.
3. All offers are subject to change without notice and shall only apply upon written confirmation.
4. The written form, within the meaning of these terms and conditions, shall be deemed to have been observed in the case of communication conducted in writing or electronically, even if the document is not signed.

2 Execution of the Delivery

1. The client shall bear the dispatch risk.
2. The contractor shall be entitled to over-deliver, in so far as this is reasonably acceptable for the client, taking account of the contractor's interests. Except in the event of extraordinary circumstances in individual cases, which the client shall be required to prove, an over-delivery or under-delivery shall be deemed reasonably acceptable, if it is up to 20 % in the case of a delivery of up to 500 units, up to 15 % in the case of a delivery of up to 3,000 units and up to 10 % in the case of a delivery of over 3,000 units. In respect of pre-printed rolls, an over-delivery or under-delivery shall be deemed reasonably acceptable, it is up to 30 % in the case of 1 roll, up to 20 % in the case of 5 rolls and up to 10 % in the case of 6 rolls or more. The quantity actually delivered shall be charged.
3. Deliveries by instalments shall be permissible to an extent which is reasonably acceptable for the client, taking account of the contractor's interests. In the case of deliveries by instalments, the scope for over- and under-deliveries under section 2, no. 2, may, at the contractor's discretion, be apportioned by the contractor over the individual delivery instalments .
4. Printing blocks, tools and other aids manufactured by the contractor, or on its behalf, shall remain the contractor's property, even if the manufacturing cost has been invoiced and paid by the client in whole or in part. Due invoices for such items shall be payable without any deduction. The contractor shall not be under any obligation to surrender possession of those items to the client. Printing blocks and tools shall be retained by the contractor, without assumption of liability, for another full year following the delivery. Thereafter, printing blocks and tools may be disposed of, for warehousing reasons, without further notifying the client.

5. Responsibility for observance of property rights and copyrights in the equipment ordered, including identification marking by means of symbols (e.g. Green Dot, eco-marks), shall be borne by the client, who shall indemnify the contractor against all claims.

3 Paletting, Other Packaging Material

1. The contractor shall keep a pallet account for the client concerning the pallets and cover plates which are owned by the contractor and are to be reused. This pallet account shall provide information on the stock of pallets and changes in this stock. On request, the client shall receive a statement of the balance on the pallet account for reconciliation of the balance.

2. The account records shall be kept on the basis of dispatch records. The client shall acknowledge receipt of the respective pallets received.

3. Upon every delivery of palletted goods, the client shall concurrently return to the contractor the same number of equivalent pallets which it has received.

4. Pallets which are not returned, or are returned damaged, shall be invoiced at the replacement price.

5. Subject to compliance with the Packaging Regulation [Verpackungsverordnung], no transport packaging or other packaging - except for pallets - shall be taken back. The orderer shall be obliged to take care of the disposal of packaging at its own expense.

4 Default in Taking Receipt, Breach of Co-operation Duties by the Client

1. If the client refuses to wholly or partly take delivery of the goods by the agreed date for delivery, or if the client culpably breaches other duties to co-operate, the contractor shall be entitled to demand compensation for the loss resulting to it in this respect, including any extra expenditures.

2. If delivery is delayed due to reasons imputable to the client, the contractor shall, notwithstanding no. 1, be entitled to charge, from one month after notification of readiness for delivery, for the storage costs resulting to the contractor, even if the goods are stored at one of its plants. The minimum charge per month of default shall be 0.5 % of the amount invoiced for the goods. The client shall be permitted to prove that no loss, or a substantially lower loss, has resulted to the contractor as a consequence of default.

Pre-printed rolls not called off for delivery shall be charged 6 months after the last call-off or, if no call-off has been effected yet, 6 months after placement of the order.

3. The contractor expressly reserves the right to assert further claims and rights (e.g. compensatory damages in lieu of performance after having set a reasonable grace period).

5 Period for Delivery

1. Periods and dates for delivery shall only apply on an approximate basis, except where they have been expressly guaranteed as binding in writing.
2. The period for delivery shall commence on the date of acceptance of the order. If an order which has been acknowledged is altered, the period for delivery shall commence upon acknowledgement of the change.
3. In the cases stated in section 4, no. 2, the contractor shall be additionally entitled, after a reasonable grace period has expired to no avail, to exercise disposition over the goods in some other manner and supply the client within a reasonable extended period.

6 Force Majeure

1. If execution of the order is delayed due to effects of force majeure, the agreed period for delivery shall be extended by the duration of the disruption. The contractor shall, without undue delay, inform the client of occurrence of a case of force majeure. Apart from the foregoing, the contract shall remain in effect unchanged.
2. If the disruption persists for longer than 6 weeks, both Parties hereto shall have the right to rescind the contract.

7 Warranty, Liability, Limitation Period

1. The goods shall be inspected without undue delay, no later than prior to use. Complaints as to correctness, quantity and/or workmanship of the goods delivered shall be lodged in writing without undue delay, no later than within 8 weekdays of arrival of the goods. Hidden defects shall be notified in writing no later than within 8 weekdays of their discovery. The right to complain of hidden defects shall lapse 2 months after arrival of the goods. Samples of the goods complained of shall be enclosed with the notification of the complaint. Defects in part of a delivery shall not give any entitlement to complain of the delivery as a whole, unless it would be unreasonable to expect the client to accept the defective part of the delivery.
2. If the goods delivered show signs of defects, the contractor shall be entitled, at its option, to eliminate the defects or deliver a replacement free from defects as supplementary performance. Subject to compliance with the statutory regulations, the client shall only be entitled to rescission or abatement, if supplementary performance has repeatedly failed or it is unreasonable to expect the client to accept supplementary performance and the defects are not merely non-substantial defects. Section 478 of the German Civil Code [BGB] remains unaffected. The client shall be entitled to damage claims as per section 7, no. 7 of these terms and conditions.
3. The contractor shall only be liable for packaging features, in respect of usability for a specific purpose, in so far as the contractor has given a corresponding written guarantee.

4. The contractor assumes no liability for deviations customary in this branch of industry in respect of gluing, smoothness, purity of paper, pasting, bonding, print or weight. Deviations which are customary in this branch of industry in respect of dimensions and which occur due to the characteristic nature of the corrugated board shall not give any reason to complain. Dimensions are indicated in the sequence "length + width + height". They represent the inside dimension in millimetres. Dimensional tolerances of +/- 1 %, but at least +/- 3 mm, shall be deemed minor deviations. Deviations in weight due to the tolerance in sqm weights in paper production shall be deemed customary in this branch of industry. The seller shall only be liable for deviations in the colour of the paper or in the gluing, smoothness, purity or print colour, if it would be unreasonable to expect the buyer to accept the deviations, taking account of its interests. In typographical terms, chromalines shall only be conditionally binding in respect of colours. Processing of the corrugated packaging shall be carried out as customary in this branch of industry.

5. In the case of colour prints, the contractor shall assume no liability for deviations in colour which are customary in this branch of industry. As standard flexo colours customary in this branch of industry are used, it is not possible to guarantee the light-fastness of the colours under DIN 16525 of the Woll scale or rule out that the prints may run into other items. The contractor assumes no liability whatsoever in this respect.

6. Over and above the foregoing, the assessment of deviations which are customary in this branch of industry or are technically unavoidable shall be based on the test catalogues for corrugated boxes, which are published by the VERBAND DER WELLPAPPEN-INDUSTRIE E.V. Hilpertstraße 22, 64295 Darmstadt, and are available at the contractor, as well as on the DIN standard for corrugated packaging, all as applicable at the respective time.

7. The contractor shall, without limitation, be liable under the regulations of the Product Liability Act [Produkthaftungsgesetz], in cases where a guarantee or a procurement risk has been expressly assumed and in cases of intentional or grossly negligent breach of duty. Equally, the contractor shall be liable without limitation in cases of intentional or negligent injury to life, body or health. The contractor shall only be liable for property damage or pecuniary losses caused by slight negligence, if a material contractual duty (cardinal duty) has been breached. However, liability shall be limited to losses which are typical of the contract and are foreseeable at the time of conclusion of the contract. If, in the event of the contractor defaulting on delivery by slight negligence, the client asserts compensatory damages in lieu of performance after expiration of a reasonable grace period, the compensatory damages shall be limited to the sum of the extra cost of a covering purchase which is required to be made, but shall be capped at the sum of the order value.

Liability for compensatory damages beyond the compensatory damages envisaged in the above subsection of this section 7, no. 7, is excluded, regardless of the legal nature of the claim asserted.

The above limitations of liability shall, in principle and in terms of the amount, also apply in favour of the contractor's statutory representatives, employees and other vicarious agents.

8. Claims on account of defects in quality and/or title shall be subject to a 12-month limitation period, calculated from the time of passage of risk. The statutory limitation periods shall apply in cases of intentional breaches of duty, fraudulent concealment of defects, tort claims, absence of features which have been guaranteed, assumption of procurement risks and/or injury to persons. Sections 479 and 634 a, subsection 1, no. 2 of the German Civil Code remain unaffected.

8 Prices, Invoicing, Due Date, Payment

1. In the absence of a written agreement to the contrary, the contractor's prices shall apply on the basis of 1,000 units, or a unit cited separately, ex warehouse or works, including loading and packaging. Except where otherwise agreed upon, the prices shall be understood to be

- carriage-paid to the place of destination in cases where goods with a value of at least 1,000.- € are taken delivery of,
- carriage-unpaid in the case of goods with a value below 1,000.- €. In cases where pre-printed rolls are delivered, the pricing shall be ex works. The prices are understood to be exclusive of statutory value-added tax. If the goods are to be delivered later than 4 months after the conclusion of the contract, the parties shall agree upon an appropriate price correction, if the contractor's basis of calculation provably changes in the meantime, particularly if raw material prices rise.

2. The invoiced amount shall be payable within 14 days of the invoice date with a 2 % cash discount, except where earlier invoices to the client are outstanding, or within 30 days net.

3. Payment shall be made in cash or by cheque, bank transfer or postal transfer. In so far as bills of exchange are given in payment according to agreement, they must be bankable. All costs and charges in connection therewith shall be borne by the client. Payments by bill of exchange shall not give any entitlement to deduction of a cash discount. Bills of exchange shall only be accepted on account of payment.

4. The client shall only be entitled to rights of set-off, if its counterclaims have been determined by a final and non-appealable court judgement, are undisputed or have been recognised by the contractor. Additionally, the client shall only be authorised to exercise a right of retention in so far as the counterclaim is based on the same contractual relationship.

9 Default in Payment

1. In the event of default in payment, interest at the rate of 8 percentage points annually above the respective base interest rate (section 247 of the German Civil Code) shall fall due. The right to prove a default-related loss beyond the foregoing remains reserved.

2. If the client defaults on payment, the contractor shall, until settlement of the due invoiced amounts, including default interest, not be obliged to make any further delivery under any contract.

3. If the client defaults on agreed payment terms, or if there are circumstances which, according to standards customary in banking, indicate a material deterioration in the client's financial circumstances and/or its credit-worthiness, the contractor shall be entitled, upon unsuccessful expiration of a reasonable grace period, to demand immediate payment for deliveries which have been carried out and demand advance payment or payment on delivery, at its option, for future deliveries. Alternatively, the contractor may demand provision of security customary in banking

4. The contractor shall be entitled, at its option, to rescind the supply contracts concluded with the client or demand compensatory damages in lieu of performance, if the client has not made payment within 10 days of receipt of a justified reminder. Section 10, no. 5 remains unaffected by the foregoing.

5. All the contractor's receivables shall fall due immediately, if, by petitioning for insolvency proceedings or in any other manner, the client declares itself unable to pay its debts.

10 Reservation of Title

1. The goods delivered shall remain the contractor's property until satisfaction of all receivables arising from the business relationship, including any balance on an open credit account.

2. The reservation of title does not exclude the client's right to use the delivered goods within the framework of its proper business operations or to process or sell the goods delivered. As long as the reservation of title applies, however, the client shall not be permitted to transfer title to the delivered goods as security or pledge the delivered goods.

3. If the goods delivered are used as a means of packaging or as a packaging material, the contractor's title shall not become extinguished as a result thereof. The contractor shall become the owner or co-owner of the new item in the ratio of the invoiced value of its goods under reservation of title in relation to the packaged goods or in relation to the packaging manufactured.

4. As the constructive possessor of the goods under reservation of title, the contractor shall have the right to enter the client's business or storage premises at any time.

5. In the event of breach of duty by the client, particularly default in payment, the contractor shall be entitled, even without setting a time limit, to reclaim possession of the delivery item. The client shall be obliged to surrender possession. Reclaiming of possession of the delivery item shall not constitute a declaration of rescission on the part of the contractor, unless rescission is expressly declared.

6. In case the goods delivered, or the means of packaging manufactured out of the goods delivered, are on-sold, the client assigns to the contractor here and now, in the sum of the invoiced value of the delivered goods under reservation of title, its

purchase price receivable from its customers until full payment of its receivable. The contractor hereby accepts the assignment. The client shall remain empowered to collect the purchase price receivable even after the assignment. The contractor's power to collect the receivable itself remains unaffected by the foregoing. However, the contractor shall be obliged to refrain from collecting the receivable as long as the client meets its payment obligations out of the proceeds received, does not default on payment and, in particular, no petition for opening of bankruptcy, composition or insolvency proceedings is filed and no cessation of payment occurs. If this is the case, the contractor may demand that the client make known to it the assigned receivables and the debtors concerned, provide all particulars necessary for collection, hand over the related documents and inform the debtors (third parties) of the assignment

7. If the value of the above security exceeds by 10 % the value of the receivables to be secured, the contractor shall, at the client's request, release fully paid deliveries of its choosing. The client shall be obliged to object to all third-party seizures of property which serves as security (goods under reservation of title and receivables), pointing out the contractor's rights, and give the contractor notification thereof without undue delay. Furthermore, the client shall be obliged to insure the goods under reservation of title to the customary extent.

11 Place of Performance, Place of Jurisdiction and Choice of Law

1. The place of performance for all duties arising from the supply contract, and the place of jurisdiction for all legal disputes arising from the supply contract, including legal action based on a cheque or bill of exchange, shall be the contractor's place of commercial establishment from where the order was acknowledged. This shall only apply, in so far as the client is a merchant, a legal entity under public law or a special fund under public law or is domiciled outside of the Federal Republic of Germany.

2. German law applies without exception. The UN Sales Law is excluded.

12 Ineffectiveness of Stipulations

1. If individual stipulations in these terms and conditions are or become ineffective for legal reasons, this shall not affect the validity of the other stipulations.

2. Ineffective stipulations shall be replaced, by mutual agreement, with effective stipulations which reflect as closely as possible the economic purpose of the ineffective stipulations.

13 Special Terms and Conditions for CORRUST Products

If corrosion-inhibiting products are the subject of the order, the following shall apply supplementarily:

To the contractor's best knowledge, the products and the particulars contained in prospectuses are in keeping with the current state of the contractor's knowledge and development, in keeping with diligent testing and in keeping with the VCI

manufacturer's many years of experience. As the material properties of the goods to be packaged, the transportation conditions and the warehousing conditions differ, particulars and instructions for use set out in prospectuses are not generally applicable. No warranties beyond product identity can be assumed. The client shall be required to carry out its own works-specific function and compatibility tests in line with recognised specifications.