5.4 In judging defects the decisive factor is the average quality in the overall delivery rather than individual claims for defects asserted by the purchaser or if they fail, the purchaser may at its own discretion withdraw from the contract or demand a reduction in the purchase price.

5.5 If the purchaser demands subsequent performance on the grounds of a defect we may choose whether to withdraw from the contract on the grounds of the delay in delivery or in default and whenever we expressly so notify the parties in writing.

5.6 Claims of the purchaser for compensation over and above this are excluded; in particular claims for the reduction in the purchase price.

5.7 In the event of a default our liability for damages is restricted in amount to foreseeable damage typical of this type of contract.

6. Terms of payment

6.1 Otherwise agreed payment shall be made within 30 days of receipt of the invoice, however no later than 30 days after delivery, without any deductions.

6.2 For payment within 14 days of receipt of the invoice, we shall grant a discount of 2 % on the net invoice value.

6.3 We only accept bills of exchange subject to express agreement, and then only on account of performance. Cheques and bills of exchange shall only be regarded as cash payment when they have been finally encashed.

6.4 After the 30th day after receipt of the invoice we shall be entitled to default interest of 8 % p.a. above the basis interest rate.

7. Setting off of claims

7.1 The purchaser shall only be entitled to offset counterclaims against our claims if these counterclaims are undisputed and final and absolute.

7.2 Setting off of claims pursuant to §§ 273 of the German Civil Code is permissible on the basis of counterclaims of the purchaser provided that the debt of the applicant which is to be offset against these activities of the force of a breach of warranty of quality or title may be asserted pursuant to § 320 of the German Civil Code if the legitimacy of such claims is in doubt.

8. Reservation of title

8.1 The products supplied shall remain our property until the invoice for the claim resulting from the supply of products has been settled.

8.2 Moreover, the products supplied shall remain our property until all claims existing at the time of delivery and future claims have been settled, irrespective on whether legal grounds, in the case of cheques or bills of exchange when they have not been finally encashed.

8.3 In the event of a default, retention of title shall serve as security for amounts due to us.

8.4 Reworking and processing shall take place on our own behalf in default of § 950 of the German Civil Code in the form that we acquire co-ownership of the newly produced item pro rata on the ratio of its value to the invoice value of our products, whereby we shall not enter into any obligations thereby. The item which is generated by virtue of the processing shall be treated as reserved goods within the meaning of the terms and Conditions. The title to the purchaser's claims from resale of the reserved goods is assigned to us along with all ancillary rights in the amount of the purchase price claim due to us. With respect to reworking or processing, all claims assigned claims assigned to us in its own name for our account. The direct collecting authorisation may only be revoked if the purchaser is in default with its performance obligations. If any reprocessing or processing of the reserved goods has been commenced with regard to the purchaser's assets or if such proceedings are imminent. If the asserted claim against the third-party is to be paid, it shall have been included in a current invoice, the assertion also applies to the current account claims.

8.5 There is agreement if the reserved goods are used as packaging for products manufactured by or to be manufactured by the purchaser on its own initiative as to whether we shall have to assess in the ratio of the invoice value of the reserved goods to the invoice value or, in the absence of an invoice value, the current value of the packaged products. To that extent the packaged products shall be held for us by the purchaser with the usual care free of charge. If the purchaser sells the products packaged in this way to a third-party, the purchaser's claim vis-à-vis that third-party for the reserved goods shall be deemed to have been assigned to us in the invoice value of the reserved goods plus 20 % even if the packaging material is not charged separately. Once the amount assigned has been received we will calculate the accrued interest and the costs and reimburse the unused additional amount.

8.6 The purchaser is only entitled and authorised to process further and resell the reserved goods or the products packaged using the reserved goods only if title in the new item or the purchase price claim against the third-party purchaser shall pass to us pursuant to the above provisions, that the purchaser for its part reserves title and passes any bills of exchange received from the third-party purchaser to us.

8.7 The purchaser is not authorised to make any other disposals of the reserved goods, in particular it is not authorised to pledge or transfer as security.

8.8 If, despite this, the purchaser disposes of the reserved goods in this way or if the direct collecting authorisation is revoked for reasons related to the goods the purchaser shall at our request inform the third-party purchaser of the assignment, provide us with the information required to enable us to assert our rights, and hand over documents. This also applies to securities and other third-party claims to the reserved goods, which shall be reported to us without delay.

8.9 If the realisable value of the securities provided for us exceeds the total value of the claims due to us from supplies by more than 15 % we shall release collateral at our discretion if so requested by the purchaser.

8.10 In the event of a payment arrears, even where we do not withdraw from the contract, the purchaser shall retain the goods supplied subject to co-ownership. Upon receivables from the buyer hereby irrevocably permits us to collect the reserved goods immediately and to have unobstructed access to its business premises and store-rooms for this purpose. If we assert title in or seize the reserved goods this shall not be deemed to be withheld from the contract. If we take back products supplied on reservation of title we are only obliged to issue a credit note for its waste paper value.

9. Pallets, printing plates, tooling

9.1 Pallets which we with the products shall remain our property and shall either be returned to us in unbroken condition and in the form of pallets of the same type, quality and quantity. In the event that such pallets are not returned despite the fact that we have set a deadline we are entitled to demand compensation in the form of the replacement cost of the number of pallets concerned.

9.2 Printing plates, tooling and other auxiliary materials shall remain our property even if the purchaser has paid for the production costs in whole or in part.

10. Force majeure

10.1 Plant closures or restrictions caused by a lack of operating or raw materials for which we are not responsible, industrial action at our plants or industrial action at third plants and similar cases which cause a stoppage or reduction in production shall be deemed to be cases of force majeure and shall relieve us from observing the confirmed delivery date and delivery for the duration of the shortage or disruption.

11. Third-party trade marks

11.1 In the case of orders for corrugated cardboard packaging, the purchaser wishes its trademark to be printed on the products shall provide us with a copy of the trademark application file with the Federal Patent and Trademark Office, if printing the purchaser's trademark infringes third-party trademark rights and it, as a result, third-party claims are filed against us the purchaser shall indemnify us from such claims at first instance request, including any expenses incurred in connection with such claims.

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

12.1 Place of performance and payment shall be the location of our delivery works; place of jurisdiction shall be Stuttgart.