

General Terms and Conditions of Sale

IIC Aktiengesellschaft, Bertoldstraße 65, 79098 Freiburg i. Breisgau, Germany

(last updated: 1st July 2007)

1. General

- a.) All our offers, deliveries and services shall be subject to these General Terms and Conditions of Sale.
- b.) Our Terms of Sale shall apply exclusively. Differing terms shall only apply if we have expressly acknowledged them in writing. Acceptance of our services shall be deemed to be an acknowledgement of our Terms of Sale, even if the Customer has confirmed our services using deviating terms and conditions.
- c.) These General Terms and Conditions of Sale shall only apply for businesses, public law entities and special funds under public law.

2. Conclusion of the contract

- a.) All our offers are subject to confirmation. Contracts will only be concluded validly by means of a confirmation from ourselves. Oral representations made by our representatives or employees shall only be binding for us if they have been expressly confirmed by us in writing.
- b.) A contract will only be concluded if IIC Aktiengesellschaft, 79098 Freiburg i. Breisgau, Germany has confirmed the placed order in writing or has shown by delivering the goods that it has accepted the order.
- c.) Information contained in leaflets, offers and written documents on our products, in particular dimensions and technical data, shall only be approximations; they do not constitute guaranteed characteristics, unless a guarantee has been accepted expressly and in writing.
- d.) We reserve our rights of title and copyrights to samples, drawings, descriptions etc. - also in electronic form. Such information may not be made accessible to third parties without our approval, and is to be returned to us upon request without undue delay.

3. Prices, payment

- a.) Subject to special agreement, prices shall apply ex works, including loading and excluding packaging and unloading. Value added tax at the applicable statutory rate is to be added to the prices.
- b.) Should the applicable prices charged by our suppliers, or other costs incurred for our products, rise after the conclusion of the contract and before delivery, we shall be entitled to adequately increase the agreed prices.
- c.) The customer may only assert rights to set-off if his counter-claims have been conclusively determined or have been acknowledged by ourselves.
- d.) If the customer does not meet his payment obligations upon maturity, we may – notwithstanding any other rights and claims we may have – at our discretion either terminate the contract, suspend further deliveries to the customer and/or charge the customer interest on the open balance, at a rate 8 % p.a. above the European Central Bank's basic interest rate.
- e.) If the customer is in default with payment, we shall furthermore be entitled to terminate the contract and request damages due to non-performance.
- f.) Should we learn of any circumstances giving reason to seriously doubt the customer's ability to pay or creditworthiness, we shall be entitled to request immediate payment of all open invoices – even if we had granted deferred payment – and to make any further deliveries to the customer subject to pre-payment or provision of security. If the customer does not comply with such request within an adequate period of time, we may, at our discretion, request damages or terminate the contract.

4. Delivery and delayed delivery

- a.) Agreements on a binding delivery date must be made in writing. Delivery periods shall commence at the date of our order confirmation, however, not before all details of the order have been completely clarified, all documents and/or deposits have been received and any required certificates from national or foreign authorities have been provided.
- b.) Delivery periods and delivery dates refer to the time of dispatch from the supply facility or warehouse. They shall be deemed to have been met upon notification of the readiness for dispatch, if goods cannot be sent on time due to reasons for which we are not responsible.
- c.) Unless agreed otherwise in writing, our delivery terms shall only be approximations. Even if a fixed delivery period or delivery date has been agreed, we must be granted an adequate period of grace should we be in default. After fruitless expiry of the period of grace, the customer may disengage from the contract with regard to the quantity which has not been notified to be ready for dispatch at the time the period of grace expires.
- d.) We shall not be liable for delayed deliveries, or deliveries not performed at all, caused by sub-suppliers. Delivery periods shall be extended – notwithstanding our rights in case of default by the customer – by the period of time during which the customer is in default with his obligations from this contract or from other purchases. Force majeure, and circumstances for which we are not responsible, shall entitle us to postpone the delivery by the period of time of the hindrance or by an adequate start-up period, or to terminate the contract, either in part or completely, with regard to the non-performed part. The customer may request a declaration from us stipulating whether we intend to terminate the contract or provide delivery within an adequate period of time. If we do not provide this declaration, the customer may terminate the contract.
- e.) The customer shall only be entitled to damages if our default is caused by intent or gross negligence.

5. Passing of risk and dispatch

- a.) For all transactions, including deliveries, the risk of damage to, or loss of, the goods shall pass to the customer upon the goods being handed over to a forwarder or carrier, at the latest, however, upon the goods leaving the warehouse or the supply facility. This risk in particular includes natural deterioration caused by delayed transport of perishable products for animals delivered by us. We shall not be obligated to insure the goods.
- b.) If the customer requests so in writing, we shall cover the delivery by means of a transport insurance; any costs incurred shall be borne by the customer.
- c.) We shall be entitled to effect partial deliveries to a reasonable extent.
- d.) We shall not be liable for weight losses during transport. Requests with regard to shipping shall always be provided to us by the customer upon placement of the order. The choice of the type and route of shipment shall, however, always be at our discretion – without a guarantee for the fastest way of delivery. Extra expenses for courier or express shipment, being effected upon the customer's request, shall be borne by the customer.

6. Dimensions, weights and delivered quantities

For purposes of billing, the dimensions, weights and quantities stipulated in the shipping/accompanying documents shall be decisive. Objections with regard to delivered dimensions, delivered weights and delivered quantities must be made in writing at the latest three working days after receipt of the goods at their destination.

7. Reservation of title

- a.) The goods shall remain our property up until the time all present and future claims from the business relationship with the customer have been fulfilled.
- b.) The customer shall be obligated to separately store and mark the goods belonging to us (reserved-title goods).
- c.) The customer shall be obligated to specially store our reserved-title goods and to mark them clearly. The customer shall be obligated to handle the purchased objects with care; in particular, the customer shall be obligated, at his own cost, to sufficiently insure these goods at their replacement value, against damage due to fire, water and theft. The delivered products or goods belonging to IIC Aktiengesellschaft must be properly stored by the customer in such a way as to prevent or postpone natural deterioration with time, according to state-of-the-art technology.

- d.) Should our reserved-title goods be processed or mixed, intermingled or compounded with other objects which do not belong to us, we shall obtain joint ownership in the new object, to the relation of the value of the purchased product to the other processed goods at the time they were processed. What has been said for the purchased object delivered subject to reservation of title shall also apply to the object emerging from the processing. Reserved-title goods may only be sold within the due course of business.
- e.) Any other dispositions, in particular pledging and transferral as security of the reserved-title goods, are prohibited. All claims the customer obtains with regard to the reserved-title goods from re-sales or on other legal grounds are hereby fully assigned to us in advance; in case of joint ownership, the assignment shall only encompass the share of the claim corresponding to our share of joint ownership. Re-sales are only admissible subject to safeguarding of this assignment.
- f.) The customer shall only be authorised to collect the assigned claims within the due course of business, and only revocably. Upon our request, he shall inform his debtors of the assignment. We shall also be entitled to carry out this notification at any time.
- g.) The customer's authorisation to dispose of the reserved-title goods as well as to process, remodel, compound, mix and intermingle them, furthermore to collect the assigned claims, shall cease to exist in case of a non-compliance with the terms of payment, in case of unauthorised dispositions, protests of bills of exchange or cheques as well as in cases where the opening of insolvency proceedings against the customer has been applied for, or if we learn of a substantial deterioration of the customer's financial situation. In such cases, we shall be entitled to immediately take possession of the reserved-title goods, to enter the customer's facilities for this purpose, to request useful information on the reserved-title goods and on any claims from their re-sale, as well as to inspect the customer's books, in as far as this serves to secure our rights. Furthermore, we shall be entitled to expressly prohibit processing and any modification of the delivered reserved-title goods, to revoke the authority for collection, and to inform third-party companies of the prohibition and the revocation. The costs for collection, return or transfer of indirect possession of the delivered reserved-title goods shall be borne by the customer.
- h.) In as far as registration and/or fulfilment of other requirements is a prerequisite for the validity of this reservation of title, the customer shall be obligated – notwithstanding our own authority – to immediately undertake any necessary activities, and to provide all necessary information. If, and as far as, the decisive legal system does not provide for the arrangement of a reservation of title, the customer shall provide us with other adequate security, should he make use of a commercial credit.
- i.) The customer shall inform the seller immediately of any attachments or other interference by third parties, in order to enable the seller to file a law suit. Should the customer not meet this obligation, he shall be liable for any damage incurred.
- j.) Upon the customer's request, the seller undertakes to release the security interest he holds, in as far as the liquidable value of such security interest exceeds the seller's claims. The seller shall choose which securities to release.

8. Notification of defects and warranty

- a.) The customer must examine the goods and their packaging immediately upon receipt. In particular, the customer shall open individual samples of the goods and inspect them. The customer must provide written information on all perceptible defects, shortfall quantities or incorrect deliveries, within five working days after delivery, however, in all cases before the goods are re-sold, used or processed. The customer must provide written notification of any hidden defects immediately after they have been detected. Due to the nature of the delivered goods, the customer shall only be entitled to this right during the first four weeks after delivery.
- b.) Our statutory liability for defects is limited to subsequent performance, i.e. at our discretion either elimination of the defect or substitute delivery. The customer must give us sufficient opportunity to provide subsequent performance; if he does not do so, we shall be released from any liability for the consequences resulting from this. The customer may eliminate the defect himself or through third parties, and request reimbursement of the necessary expenses in urgent cases only, for instance in order to maintain safe operation or to prevent disproportionately large damage. The customer must always return the replaced parts to us.
- c.) Should subsequent performance have failed, the customer shall be entitled to reduce the purchase price or – in cases of substantial defects – terminate the contract.
- d.) We accept warranty for one year from delivery for newly produced goods and services; our liability is always excluded for sales of used products.
- e.) Claims by the customer obliging us to carry out cover purchases in cases of non-performance, shall be excluded. Any further claims by the customer due to defects, other than those provided for in the above sections b.) to e.) and No. 9, shall be excluded. Therefore, we shall not be liable for damages which have not occurred to the product itself, nor for any other damages to the customer's estate. In particular, we shall not be liable for damages occurring to pets and farm animals through animal feed, or for damages caused by the delivery of pest-afflicted products, for instance animal feed products, to other estate positions of the customer.

9. Liability

- a.) We accept liability for our products to be free of defects according to state-of-the-art technology. Our liability is excluded:
 - aa.) if our products are not stored or used properly by the customer or by third parties;
 - bb.) in cases of natural wear-and-tear or deterioration of the products;
 - cc.) if the products are not handled or processed correctly;
 - dd.) if unsuitable operating media are used;
 - ee.) in case of damage caused by work carried out by third parties, if such work had not expressly been approved by us.
- b.) Our liability, irrespective of its legal basis, shall be limited to intent and gross negligence.
- c.) All limitations of liability stipulated in these Terms and Conditions of Sale shall not apply:
 - aa.) to cases of intent or gross negligence on our part or on the part of our vicarious agents,
 - bb.) to cases of damage to persons,
 - cc.) to damage caused by the lack of a property which we have guaranteed,
 - dd.) to claims under the German Product Liability Act.

10. Written form, partial invalidity

- a.) Modifications of, amendments to, and the mutual rescission of, this contract must be in writing in order to be effective. Notifications by telefax or other means of electronic communication shall be deemed to meet the written form requirement. The same shall apply for any other representations by the contracting partners which may be necessary for the establishment, safeguarding or exertion of their rights, in particular notifications of defects, setting of deadlines, or unilateral declarations of rescission.
- b.) Should one provision be or become void or invalid, this shall not affect the validity of the remainder of the provisions.
- c.) Should one or several provisions in this contract be invalid, the contracting partners shall agree on a legally valid substitute regulation which comes as close as possible to the economic content of the invalid regulation.

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

- a.) The place of performance for the purchaser's payment obligations, and for our obligations, shall be Freiburg i. Breisgau, Germany.
- b.) Freiburg i. Breisgau, Germany, shall be the place of jurisdiction for disputes from or in connection with, this contract. We may, at our discretion, also file action against the customer at the customer's place of general jurisdiction.
- c.) The laws of the Federal Republic of Germany shall apply to all legal relations between the customer and ourselves. The UN Convention on Contracts on the International Sale of Goods (CISG) shall be excluded.