

## GENERAL TERMS AND CONDITIONS OF DELIVERY AND SALES Dated 01/06/2016

### 1. Area of applicability

The following regulations shall apply to the delivery and assembly of production plants and all deliveries and supplies to be provided in connection with such plants. Our deliveries, services and offers are made available exclusively on the basis of these regulations, which shall remain relevant in all future business relations with the customer, even if not expressly confirmed once again. Any counter confirmations of the customer's referring to their own general terms and conditions of business are herewith rejected.

### 2. Quote and Conclusion of Contract

- 2.1. Our quotes are non-binding and subject to confirmation. To conclude a contract effectively, all orders and statements of acceptance by the customer require our confirmation in writing or by phone.
- 2.2. Our sales personnel are not entitled to make any oral ancillary agreements or to give oral guarantees beyond the scope of the written contract.
- 2.3. The drawings, dimension figures etc. enclosed with our quotes are not binding and are to be understood merely as approximate data which may be altered in the respective individual case.

### 3. Customer's Duty to Inform

Prior to conclusion of the contract, the customer shall inform us of any legal, statutory and other regulations, above all on the execution of delivery, assembly and operation of the plant, on accident and illness prevention, or foreign exchange restrictions affecting export or import, as well as of any and all government regulations which may delay or prevent the delivery; the customer shall procure any necessary official permits in due time.

### 4. Plans and Documents

All quotes and brochures, and any accompanying drawings, descriptions, illustrations etc. are our intellectual property and shall not be copied or duplicated in any way, nor disclosed to third parties. On request, they shall be returned to us immediately if the order has not been placed.

### 5. Prices

- 5.1. Unless otherwise agreed, our prices are ex works and exclude packaging, transport, freight, and assembly. If the customer requires a test run of the plant under production conditions in the customer's presence prior to handover, we shall charge 2.5% of the total invoice amount.
- 5.2. For an extra charge, we shall assemble the delivered plant at the customer's premises subject to prior agreement in writing.
- 5.3. Our total price is calculated according to the prices named in our order confirmation. These are based on the wage and material costs applicable at the time of order confirmation.  
The pricing term is determined on the basis of the individual agreement between the parties. In the event of retrospective technical amendments, we reserve the right to adjust the price accordingly.
- 5.4. The customer shall pay any taxes, contract fees, stamp duty, export, import, or execution fees, discount rate interest, customs fees and customs duties, official provision charges, and other costs involved in the delivery.
- 5.5. If the net value of the goods is less than € 150,-, a surcharge of 80 € will be generally applicable. The minimum net goods value is 150,- €.

### 6. Delivery Periods and Partial Delivery

- 6.1. All delivery dates and periods which may be fixed in binding or non-binding agreements shall be given in writing.
- 6.2. Even if the delivery dates and periods have been agreed and are binding, we shall not be liable for any delays of delivery or performance due to force majeure and events which last for a longer period of time and make delivery for us impossible or significantly harder to effect; these include strikes, lockouts, official decrees etc., also at our suppliers or their subcontractors. Such events shall entitle us to delay delivery or service as long as such events or force majeure continue plus a reasonable start-up period, or to withdraw from the contract in whole or in part in respect of the unfulfilled part.  
Should these events or force majeure continue for more than three months, the customer shall have the right to withdraw from the yet unfulfilled part of the contract giving reasonable notice. We shall not be able to

invoke the above circumstances unless we have immediately informed the customer.

- 6.3. We can effect partial or preparatory deliveries.

### 7. Terms of Payment

- 7.1. Unless expressly agreed otherwise, our invoices shall be payable on receipt by the customers. All payments shall be made in the currency and to the account mentioned in the order confirmation. Payment shall be considered effected when the amount is available to us.
- 7.2. Payment in instalments shall require our previous consent in writing. If the customer defaults on payment of one instalment, the total outstanding amount shall be payable immediately.
- 7.3. If we are made aware of circumstances that question the customer's creditworthiness after the contract is concluded, we are entitled to make the remaining debt payable immediately if there is an agreement on payment in instalments, and to make our delivery and service dependent on payment in advance or a security deposit.
- 7.4. The customer is only entitled to offset if his/her counterclaims are established as final and absolute or are undisputed. The customer only has the right to withhold amounts from counterclaims arising out of the same contractual relationship.

### 8. Reservation of Ownership

- 8.1. Until complete payment of all claims arising from the business relationship with the customer, we shall remain the owners of the delivered plants.
- 8.2. The customer does not have the right to sell a plant under reservation of ownership except in the framework of regular business. As of the date the contract is signed, for security, the customer assigns to us all claims in respect of the conditional goods arising from resale or another legal foundation (assurance, tort), (including all unpaid balances from open accounts). The customer is not entitled to pledge conditional goods, to assign them as security, or to make other arrangements endangering our property.
- 8.3. During reservation of ownership, the customer is obliged to handle the conditional goods with care.
- 8.4. If the customer defaults on his/her payment obligations to us, we are immediately entitled to withdraw from the contract, to take the conditional goods back and to make use of other means to satisfy claims due from the customer following timely notification, irrespective of our right to claim damages. In such case, the customer shall immediately allow us or our representative access to the conditional goods and hand them over.
- 8.5. In the case of deliveries into other jurisdictions, where the above reservation of ownership does not ensure the same security effect as in the Federal Republic of Germany, the customer shall make sure that equivalent security arrangements will be made for us. The customer shall co-operate in all measures, e.g. registration, publication etc., which are necessary and indicated for the effectiveness and enforceability of such security arrangements. Until proof of fulfilment of these obligations has been supplied, we are entitled to withhold contractual delivery. If the customer fails to meet his/her obligation, we are entitled to withdraw from the contract at reasonable notice, irrespective of our right to claim damages.

8.6. The customer is obliged to secure the conditional goods appropriately.

## 9. Place of Performance, Transfer of Risks

9.1. Insofar as no separate agreement is concluded between the parties, Haßfurt shall be the place of performance for all demands arising from the commercial relationship between the parties.

9.2. If the plant is delivered to another site at the customer's request, the risk shall transfer to the customer as soon as we have handed over the delivery to a forwarder, a carrier, or another person commissioned with execution of the delivery. If the delivery is postponed at the customer's express request, the risk shall transfer to the customer on announcement that the goods are ready for delivery.

9.3. In the event of delayed acceptance by the customer, we reserve the express right to charge any costs (e.g. storage costs) to the customer as may be incurred as a result of the delayed acceptance of the system.

## 10. Packing

10.1. The goods will be packaged in the customary manner to prevent any weather effects on the delivery under normal transport conditions.

10.2. The customer shall inform us in due time of any special requests regarding packaging. Information is considered given in due time if we can provide the requested packaging without any resulting delay and unreasonable difficulties. If we are not informed of the special packaging unit in due time or if the special packaging type requires unreasonable effort, we are entitled to reject the special packaging type; rejection will be declared without delay and in writing. If we agree to the special packaging with the customer, the delivery period will be extended accordingly by a reasonable time.

10.3. The customer will be invoiced separately for packaging; packaging material will be non-returnable.

10.4. The packaging costs will be invoiced separately as follows: 1.5% for transport by lorry, train or air; 3.0% for seaworthy packaging, of the respective gross order value.

## 11. Transport and Insurance

11.1. At the customer's expense, we will take out house-to-house transport insurance in accordance with the value of the delivered goods at a rate favourable at the time of dispatch. If the customer expressly wishes to take out his/her own transport insurance, the customer and their insurance company will submit a confirmation in writing.

11.2. The customer shall address any complaints in respect of transport directly to the last carrier on receipt of delivery or freight documents. The customer shall also assert any such claims immediately against the carrier. At the same time, the customer shall inform us of any such complaint.

## 12. Obligation to Check Delivery and Lodge Complaints

12.1. The customer is obliged to check the delivered plant for obvious defects clearly visible to the average customer. Any complaints regarding obvious defects, primarily clearly visible damage and malfunctions, shall be lodged with us in writing within 2 weeks after delivery.

12.2. Any complaints regarding non-obvious defects must be lodged immediately after detection of such defects.

12.3. If the obligation to check delivery and lodge complaints is not complied with, the delivery is considered approved and the respective defect is considered accepted.

## 13. Warranty

13.1. We will remedy any defects in the delivered goods after receiving notification from the customer. If the defect cannot be remedied within a reasonable period of time, or if our rework is to be considered failed for other reasons, the customer can withdraw from the contract or demand a reduction of the purchasing price at his/her discretion. Otherwise, see clause 14 for our warranty for failed or improper deliveries.

13.2. The customer's claims for defects are limited to 1 year. The limitation period commences with handover and acceptance or, insofar as we are also responsible for monitoring the commissioning process, with its completion. The system is deemed to have been accepted if the customer puts this into ongoing operation for commercial purposes (commissioning).

13.3. No claims for defects of an item can be asserted if the defect or damage has been caused by the following:

- the customer failed their obligation to check the delivery and lodge complaints,
- in spite of our request, the customer failed to give immediate opportunity for rework,
- the purchased goods have been misused or overused,
- the purchased goods have been improperly repaired, maintained or serviced at an earlier time, and this should have been evident to the customer,
- parts or spare parts that are neither original spare parts nor authorised by us in writing have been inserted into the purchased goods, or the purchased goods have been altered in a manner not authorised by us, or
- the customer failed to meet the instructions on operating, maintaining and servicing the purchased goods.

13.4. If the customer exercises his/her right to withdraw from the contract due to a defect or otherwise, he/she will pay for the use made of the delivery, which equates to a monthly amount of 3% of the agreed purchasing price for impairment of value, unless he/she submits proof that impairment of value did not occur or only occurred to a lesser degree.

## 14. Liability

14.1. In accordance with legal regulations, we are liable for intent and gross negligence by our legal representatives and vicarious agents.

14.2. We are liable in the case of simple negligence if an obligation is breached, the compliance with which is of special significance for realising the purpose of the Contract (cardinal obligation). In such case, our liability shall be limited to such damages as would typically occur. The amount of our liability shall be limited to three times the agreed purchasing price.

14.3. Irrespective of the above regulations, we shall be liable in case of death, personal injury and loss of health, taking over of a guarantee or a procurement risk, malicious silence with regard to a defect, and according to the product liability act.

## 15. Applicable Law, Jurisdiction, Partial Invalidity, Written Form

15.1. The law of the Federal Republic of Germany shall be applicable for these General Terms and Conditions and all the legal relations between us and the customer. The regulations of the Vienna Agreement dated 11/04/1980 on Contracts on International Sale of Goods (CISG) shall not apply.

15.2. If the customer is a dealer as defined by the HGB (German Commercial Code), a legal person under public law, or a public special fund, Haßfurt will be the jurisdiction for any disputes arising indirectly or directly from the contractual relationship with the customer. However, we are also entitled to institute legal proceedings at the appropriate court for the customer's place of business.

15.3. If individual regulations in these General Terms and Conditions or other agreements with the customer are invalid in whole or in part, the validity of the remaining regulations shall not be affected.

15.4. Changes or supplements to the contract must be made in writing.