

of Albert Handtmann Maschinenfabrik GmbH & Co. KG
and Handtmann Maschinenvertrieb GmbH & Co. KG

1. General, Scope

1.1. The following terms are intended for use in business transactions with persons (legal or natural) who are acting in the usual course of business (“**Business Terms**”). Deliveries, services and offers shall only be made subject to these Business Terms. These are an integral part of all contracts that we conclude with our customers (hereinafter referred to as “**Customer**”) about deliveries or services we offer. They apply to all future business relations, even if they are not expressly referred to. We do not accept any terms and conditions which are contrary to or deviating from these Business Terms, unless we have expressly agreed to a change of terms in writing.

1.2. These Business Terms shall also apply if we deliver products to the Customer without reservation knowing that the Customer's terms conflict with or differ from these Business Terms.

1.3. The relationship between us and the Customer, including these Business Terms, are exclusively governed by the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is excluded.

2. Conclusion and Content of Contract

2.1. Catalogues, printed documents and price lists are not binding quotations.

2.2. Our quotations can be revoked until accepted by the Customer. If an order is to be regarded as a quotation pursuant to Section 145 of the German Civil Code (BGB), the Customer can accept it within two weeks after receipt of the quotation. If the quotation is not accepted after this period, the Customer's request will be considered an offer to us for which we have 14 days from the date of our receipt to accept. Orders or acceptance of quotations are binding on the Customer.

2.3. Our written order confirmation sets out the terms and scope of the agreement reached. Verbal side agreements or verbal commitments beyond the content of the written contract are not valid.

3. Prices, Payment Terms

3.1. The prices are “Ex Works” exclusive of packaging, transport and ancillary costs plus the applicable statutory value-added tax and any other levies and/ or taxes applicable at the time.

3.2. The Customer agrees to pay the contractually agreed remuneration by transfer to one of our stated accounts (set out within the invoice) within

fourteen days after receipt of the invoice without any deduction.

3.3. If the target date for payment is exceeded, regardless of any other legal claims we may have and regardless of whether we have sent a reminder, we are entitled to charge late fees of 9 per cent per annum over the applicable base interest rate of the European Central Bank. We reserve the right to claim for additional loss where this can be proven.

3.4. The Customer can only off-set against our claims or exercise a right of retention if we agree to the Customer doing so or, if there has been a court (of competent jurisdiction) ruling, without right of appeal, in favour of the Customer. The Customer may also off-set against such counter-claims pending decision and such counter-claims which are based on the same contractual relationship i.e. the same order.

3.5. In the event of default of payment by the Customer, all our receivables under the entire business relationship, with the Customer, will become due and payable, unless the Customer has disputed the invoice. In the case of a disputed invoice, we are entitled to demand an advance payment against invoices that are not already due.

4. Delivery Time, Delayed Deliveries

4.1. The Customer must provide answers to all technical questions, sent all documents such as official permits and releases needed in a timely manner, and in any event, before the delivery date indicated by us. Additionally, the Customer must pay any agreed advanced payment in a timely manner or opened an agreed letter of credit in a timely manner and in any event before the delivery date. Late payments by the Customer will cause the delivery date to be extended respectively.

4.2. If an export permit is required from us for the delivery and it is not available at the delivery date despite the correct and timely application for the permit before the planned delivery date, the delivery date will be extended until the permit is issued. We will not be liable for any damage claims, as a result.

4.3. The delivery date is considered to have been met if, by the delivery date, the product has left the factory or notification has been given to the Customer of its readiness for dispatch. Partial deliveries are permissible, unless expressly excluded.

4.4. The delivery times indicated in the contract are extended appropriately in the event of non-

compliance with the delivery time. We shall not be liable if it is impossible to deliver or delivery is delayed due to a force majeure event including but not limited to an act of God, strikes or other events (e.g. operating malfunctions of all types, difficulties in the procurement of materials or energy, transport delays, lawful lockout, lack of manpower, energy or raw materials, difficulties in obtaining necessary official permits, official acts or the incorrect or non-timely delivery by suppliers, war, acts of terror, embargo, virus and other third-party attacks on our IT system if these happen despite compliance with the usual diligence concerning safeguards) which were unforeseeable at the time when the contract was concluded and which are beyond our control. If such events make the delivery or service considerably more difficult or impossible and the impairment or event is not temporary, we are entitled to withdraw from the contract. If the hindrances are temporary, the delivery or service periods are extended or the delivery or service dates are postponed by the period of the hindrance plus a reasonable start-up period. If the Customer cannot be expected to accept the delivery or service as a result of the delay, he can withdraw from the contract immediately by providing notice in writing.

4.5 If we are in arrears with a delivery or service or if a delivery or service is impossible for whatever reason, our liability for damages is limited in accordance with clause 10 of these Business Terms.

4.6. Upon our request, the Customer is obliged to declare within a reasonable time whether the Customer withdraws from the contract due to the delayed delivery or insists on delivery.

4.7. Customer claims for damages based on delayed delivery are excluded, unless the delays were caused intentionally or by gross negligence of our representatives or vicarious agents or because of any breach of essential statutory contractual obligations which cannot be derogated from. The statutory burden of proof prevails.

4.8. If the Customer is responsible for the delay in shipping and/or delivery or if shipping and/or delivery was delayed upon the Customer's request, the costs incurred for storage at supplier's facility can be charged for each month, starting one month after notification of readiness for shipping. The storage charge will be a minimum charge of 0.5% per month of the invoice value. A higher storage charge may apply if it is proven that the actual costs are greater.

4.9. If the Customer fails to accept delivery of the order or the Customer violates any of their other duties under the contract, we shall be entitled to demand the damage incurred including any additional expenditure. In this case, the risk of accidental loss or deterioration of the purchased product is also transferred to the Customer at the point in time when the Customer failed to accept delivery. We can - irrespective of our rights in the event of the Customer's default - extend the delivery and service periods or postpone delivery and service dates by the period during which the Customer breached their contractual obligations toward us.

4.10. If the Customer is in payment arrears by more than three months, we can withdraw from the contract. Any payments that were made up to that date can be off-set against costs already incurred.

4.11. If, before the conclusion of the contract, it becomes apparent that the Customer's financial situation has deteriorated considerably, we can suspend further execution of the contract until the Customer fulfils his performance completely or provides a bank guarantee or comparable collateral (which will be determined at our discretion). The same shall apply if the Customer is repeatedly and/or is significantly in arrears with his payments. If the Customer does not comply with such a request, we can withdraw from the contract.

5. Place of Performance, Shipping, Transfer of Risk and Insurance

5.1. Place of performance for all obligations arising under the contract is Biberach, Germany unless otherwise specified. If we are also obligated to install the product, the place of performance is the place of installation.

5.2. Unless another provision has been agreed in accordance with INCOTERMS, the risk transfers to the Customer at the point in time at which the product or parts thereof leave our factory premises or when the Customer was notified about shipping readiness. The same applies to deliveries carried out by our employees, where freight and/or carriage is paid and package is included, as well as in cases where we are responsible for assembly, installation or other services.

5.3. If part of the product cannot be delivered due to customer delay in accepting the product after completion and/or notification of shipping readiness, we will fulfil our performance obligation by storing the product. In this case, the Customer is obliged pay all costs incurred by us once we send

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our invoice. We will inform the Customer, in writing, that we will store the product. Statutory compensation claims shall remain unaffected. The risk of accidental loss or accidental deterioration of the product transfers to the Customer at the point in time that the Customer is in default of acceptance.

5.4. On request and at the expense of the Customer, any shipment will be insured against the risks defined by the Customer. We are entitled to take transport insurance at the Customer's expense, even if it has not been requested by the Customer.

5.5. The Customer assigns to us (at the time the insurance is entered into) the insurance claims he may have in the event of any loss. The Customer is obliged to use best endeavours in order for us to obtain the insurance claim; in particular, the Customer must send to us the policy information and forward the necessary notices and documents to us within a timely manner.

5.6. In the event of shipments abroad (being outside of Germany), the Customer bears the risk of shipping. The Customer is responsible for any customs clearance as well as complying with any existing official import regulations of the destination country.

6. Copyright and Ownership of Documents

6.1. We reserve the right to intellectual property rights in respect to the product and all software and documents provided, including copyright, even after the performance of the contract. All software and documents (drawings, explanations, cost estimates, etc.) provided are not to be made available to third parties. These must be returned to us at our request. They remain our property. The right of use is limited to the Customer or the contractually agreed user.

7. Reservation of Title

7.1. The product remains our property until the Customer has paid all outstanding sums owed to us and fulfilled any and all claims to which we are entitled under the business relationship.

7.2. The Customer is permitted to process, change, alter or amalgamate the product ("**Processing**"). Any Processing is completed on our behalf. We shall acquire co-ownership of the new product created through Processing relative to the value (gross invoice amount) of the other goods going into the new product that is created as opposed to the value of the new product. If we do not acquire ownership

of the new product the Customer will grant us co-ownership of the new product relative to the value (gross invoice amount) of the other goods going into the new product that is created as opposed to the value of the new product. This also applies in the event of an inseparable mixing of the product or if the product is combined with third party goods. To the extent we are granted ownership or co-ownership in accordance with this clause 7 (Reservation of title), the Customer is responsible for the product and shall keep it for us with the care of a prudent business man.

7.3. In the event the Customer sells the product or the new goods, the Customer hereby assigns all ancillary rights and any claims, from the resale, against his customer, to us. This assignment occurs without requiring any further special explanations. The assignment applies including any balance of receivables. However, the assignment shall only apply up to the amount of the price which we invoiced for the product. The share of receivable assigned must be paid as a priority.

7.4. If the Customer combines the product or the new goods with any property, he shall, without further special explanations, also assign his receivable to which the Customer is entitled as remuneration for the combination of the product and property for the sum owed to us, i.e. the price we invoiced for the product.

7.5. Subject to our revocation, the Customer shall be entitled to collect any receivables assigned to us in accordance with clause 7 (Retention of Title). The Customer shall pay immediately all payments made regarding the assigned receivables, to us, until the products received are paid. In the event of late payment, cessation of payment, opening of insolvency proceedings, exchange protest or justified indications for an over-indebtedness, imminent insolvency of the Customer or similar events ("**Justified Events**"), we are entitled to revoke the Customer's right to collect any receivables. Further, after prior warning and in compliance with a reasonable grace period, we can disclose the Customer's assignment of receivables and claims, use the assigned receivables and demand disclosure of the assignment of receivables and claims by the Customer in relation to their purchasers.

7.6. In the event of any Justified Event occurring with regards to the Customer, the Customer shall provide us with the information necessary to assert our rights in the product (including new product)

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and against the Customer and hand over the necessary documents.

7.7. While the retention of title is in force, the Customer is prohibited from pledging or assigning the product or secured claims/receivables. The Customer must notify us immediately in the event of attachments, seizures or other orders or third-party interventions. The resale of the product or the new goods is only permitted in the ordinary course of business and only under the condition that payment for the product made to the Customer is at the value of the product. The Customer must also agree with their customer, to whom they resell the product, that their customer only obtains ownership of the product once this payment to the Customer has been made.

7.8. If the total of all our secured claims (as set out in clause 7.3) is more than 10% over the actual secured claim amount, the Customer can request that we release some of those secured rights however we have full discretion as to which secured rights are released. It is presumed that the requirements of the sentence above are fulfilled if the estimated value of the collateral to which we are entitled reaches or exceeds 150% of the collateralised claims.

7.9. If the Customer breaches his duty under the contract, in particular if the Customer is in arrears with payments, we are also entitled to demand the surrender of the product or the new goods and/or, if necessary (after the Customer failed to meet any deadlines set by us for rectifying any breach), to withdraw from the contract or demand that the Customer surrenders the product and/or new goods. If we demand surrender of the product/the new goods, it does not constitute a termination of the contract on our part, unless expressly stated.

8. Liability for Defects

8.1. In order for the Customer's to rely on their rights regarding defects, the Customer must fulfil his duty of inspection and notice in accordance with Section 377 of the German Commercial code (HGB). If the Customer does not inform us, in writing, of an obvious defect (within 3 working days after our delivery), the delivery is considered to be accepted.

8.2. If the Customer provides a substantiated claim within a timely manner, we will repair or replace all defective parts at our discretion. Replaced parts must be returned to us. In the event that the defects are remedied by us, we shall pay for all expenses necessary to remedy the defect including transport, travel, labour and material costs, provided these are

not increased by the fact that the product is brought from a location other than the place of performance. If repair or replacement is not possible or is refused by us or is delayed beyond a reasonable period of time or fails for other reasons for which we are responsible, the Customer can choose to withdraw from the contract or to reduce the purchase price.

8.3. If the Customer fails to provide us with the necessary time and opportunity to make all the corrections to the product that we feel are necessary, we are exempt from any liability for defects.

8.4. We will not be liable for any defects in the products if the Customer (or a third party) has modified the product without our consent, thereby making rectification of any defects impossible or unreasonably difficult. In any case, the Customer shall bear any additional costs incurred, as a result of the modification, in order to remedy the defects.

8.5. We do not provide a warranty for any damage caused by usual wear and tear, inappropriate or improper use or treatment, in particular failure to comply with the maintenance requirements in accordance with our operating instruction, excessive stress, faulty assembly or commissioning by the Customer or any third parties.

8.6. If a defect is our fault, the Customer may demand compensation as per clause 10 of these Business Terms.

8.7. The warranty period for new machinery and equipment shall be 12 month or 2,000 operating hours, whichever occurs first, from the date of installation or, if acceptance is required, from the date of acceptance. The warranty period shall be 24 months or 4,000 operating hours, whichever occurs first, from the date of installation or, if acceptance is required, from the date of acceptance, provided that the maintenance, inspection and service work prescribed by the operating instructions has been carried out properly and completely by a qualified service person. The execution of the work must be proven by the buyer. If delivery and installation or acceptance is delayed for reasons, which are beyond our control, the warranty period shall expire no later than 33 months after notification of readiness for dispatch. The warranty period for spare parts is 12 months from the date of delivery. The warranty period for used machines, factory-overhauled machines and demonstration machines (as well as for replacement parts) is 6 months from the date of delivery. These deadlines mentioned in clause 8.7 do not apply to claims for damages by the

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Customer for death, personal injury or from fraud or gross negligent breaches of duty on our part or by our vicarious agents, which are subject to the statutes of limitations stipulated in the legal provisions. Data protection rights are not covered by these deadlines.

9. Technical Safety Conditions

9.1. Delivered machinery and equipment will comply with the applicable generally accepted rules of technology in accordance with the Product Safety Act (ProdSG of 8 November 2011 (BGBl. I p. 2179).

9.2. If the offered safety devices such as safe inlet and outlet elements, electrical equipment, etc. are not requested by the Customer (i.e. within custom-made products), the Customer is responsible to ensure that the safety of product and product users are guaranteed in other ways.

9.3. The Customer is obliged to observe the safety instructions and information in our operating instructions and other applicable regulations.

9.4. If spare parts are sold, the Customer is obliged to observe the safety instructions and information in our operating instructions and other applicable regulations when assembling and using the spare parts.

9.5. We agree to take back any used old machinery and equipment free of charge at our registered office. The Customer shall pay for the cost of transport to our registered office along with the costs of packaging. The Customer must inform us about the return shipment at least 14 calendar days before the expected arrival date.

10. Liability for Damages due to Fault

10.1 Our liability for damages, irrespective of the legal reason, in particular due to impossibility, delay, defective or incorrect delivery, breach of contract, breach of obligations in contract negotiations and tort shall be restricted in accordance with this clause 10.

10.2. We shall not be liable in the event of simple negligence by us, our legal and/or statutory representatives (including but not limited to directors), employees or other vicarious agents, insofar as this is not an infringement of essential contractual obligations in accordance with these Business Terms. An essential contractual obligation is the timely delivery and installation of the product, its freedom from material defects and right to the title in the product, which have more than negligible effect on its functionality or suitability for use as well as statutory duty to consult/inform (regarding

the product and the product use) protect and to exercise proper care, which is intended to enable the Customer to use the delivered product in accordance with the contract, as well as to protect the body or life of the Customer's personnel or the protection of their property from significant damage.

10.3. To the extent that we are liable for damages in accordance with clause 10.2 of these Business Terms, our liability is limited to damages which were foreseeable at the time the contract was concluded as a possible consequence of a breach of contract or which should have been foreseeable, when applying standard duty of care. Indirect damages and consequential damages, which are the result of defects of the product, are also only subject to compensation if such damages are typically expected if the product is used as objectively intended considering the nature of the product.

10.4. In the event of liability for simple negligence with regards to essential contractual obligation, our obligation to pay for damages is limited to property damages and consequential financial losses up to EUR 5M per loss event (according to the current cover amount of our product liability or liability insurance).

10.5. The exclusions within clause 10 do not reverse the burden of proof to the disadvantage of the Customer.

10.6. The aforementioned exclusions and limitations of liability shall apply to the same extent to the benefit of us, our, legal representatives, our employees and other vicarious agents.

10.7. The limitations of this clause 10. shall not apply to our liability for intentional or grossly negligent conduct, for guaranteed quality characteristics, in the event of a breach of the contractual obligations, the fulfilment of which enables the proper execution of the contract in the first place and on the observance of which the Customer regularly relies and can rely (being the cardinal obligations), in the event of injury or endangerment of life, body or health.

10.8. This shall not affect our liability under the Product Liability Act. Data protection rights are not covered under this liability provision.

11. Final Clauses, Jurisdiction

11.1. If the Customer is a business person, a legal entity under public law or a special public fund or has no general place of jurisdiction in the Federal Republic of Germany, the place of jurisdiction for

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any disputes arising under the business relationship between us and the Customer is at our discretion Biberach/Riss, Germany or the Customer's domicile., however, Biberach/Riss, Germany is the exclusive place of jurisdiction. Mandatory legal provisions on exclusive jurisdictions shall remain unaffected by this provision.

11.2. If the contract or these Business Terms have provisions which have been omitted by the parties , those missing omissions shall be deemed agreed in accordance with the legally effective rules which the parties to the contract would have agreed on within the spirit if the agreement (i.e. their economic goals), had the parties known about the omitted provision.

11.3. Additions and amendments to the contract between us and the Customer, including these Business Terms must be in writing. With the exception of Managing Directors and authorised signatories, our employees are not authorised to make any deviating verbal agreements. Writing includes fax and/or email, provided that the communication is the signed amendment is transmitted.