

## I. General – Scope of Application

1. The Supplier's Terms and Conditions of Delivery apply exclusively; any terms of delivery of the Buyer contradicting or deviating from those of the Supplier will not be accepted, unless their application was explicitly approved in writing by the Supplier. The Terms and Conditions of Delivery apply also when the Supplier performed the delivery to the Buyer without reservations, upon knowledge of Buyer's contradictory or deviating terms.
2. All agreements concluded between the Supplier and the Buyer for the purpose of performing this contract shall be set out in writing in this contract.
3. The Terms and Conditions of Delivery apply only to merchants as defined in Art. 24 of AGBG (*German Law on General Terms and Conditions*).
4. These Terms and Conditions of Delivery shall also apply to all future businesses with the Buyer.

## II. Quotations

1. Supplier's quotations are non-binding.
2. Documents belonging to the quotation, such as images, drawings, weight and measures shall be tentative and will only be binding, if such are expressly identified as binding. The Supplier reserves the proprietary rights and copyrights in cost estimates, drawings and other documents; such shall not be disclosed to third parties. The Supplier shall be obligated to only disclose to third parties any plan identified by the Buyer as confidential with the latter's consent.

## III. Acceptance of Orders, Scope of Delivery

1. Delivery contracts only take effect upon a written order acknowledgement.
2. Obvious errors, printing errors, miscalculations, misspellings, and errors in calculation are not binding for MHF and will not give the customer a right to claim damages.
3. The Supplier's written order acknowledge shall be decisive for the contents of the contract; in the event that the Supplier's quotation was made with temporal validity and acceptance in due time, the quotation shall be decisive, if the acknowledgment of order has not been sent in due time.
4. Supplier's employees shall not be entitled to make oral ancillary agreements or oral representations that go beyond the contents of the written contract.

## IV. Prices and Payments

1. Supplier's prices are in given in Euro, excluding Value Added Tax, unpacked and non-insured, ex-works. Packaging will be charged at cost and is non-returnable. Prices prevailing at the date of delivery shall be decisive.
2. Supplier's invoices shall be payable 30 days after the date of the invoice, without deduction, unless otherwise agreed. Notwithstanding any Buyer's terms to the contrary, the Supplier shall be entitled to post payments first against the Buyer's older debts and inform the Buyer about the nature of this settlement. When costs and interest have already been incurred, the Supplier shall be entitled to apply payments, first to the costs, then to the interest and lastly to the principal claim.
3. A payment will only be deemed to be made when the Supplier is able to dispose of the amount. In the event of cheques, the payment will be deemed to be made when the cheque has been cashed.
4. When the Buyer falls into arrears, the Supplier shall be entitled to charge interest on arrears of 2 % above the respective discount rate published by Deutsche Bundesbank (*German Federal Bank*) as flat-rate damages, beginning from the applicable date. Such interest shall be lower when the Buyer provides evidence of a lower charge; the Buyer shall be permitted to evidence a higher damage.
5. When the Supplier becomes aware of circumstances that call the Buyer's creditworthiness into question, in particular when a cheque is not cashed or payments are ceased, or when the Supplier becomes aware of other circumstances calling the Buyer's creditworthiness into question, the Supplier shall be entitled to declare the complete remaining debt due, even if the latter has accepted cheques. In that event, the Supplier shall also be entitled to request prepayments or the provision of sureties.
6. Discount deduction shall only be permitted if expressly agreed to in writing.

## V. Delivery and Performance Period

1. Delivery date or terms that may be agreed bindingly or non-bindingly shall be made in writing.
2. The Supplier cannot be held responsible for delays in delivery or performance caused by force majeure and based on events which considerably complicate or make the delivery impossible – this includes, in particular, strike, lock-outs, official rulings, etc., even if they occur at a distributor of the Supplier or its sub-suppliers – even in the case of bindingly stipulated time limits and deadlines. In these events, the Supplier shall be entitled to postpone the delivery or performance by the period of obstruction plus an appropriate start-up time or to withdraw from the contract, in full or in part, due to the unfulfilled part.
3. If the delay lasts longer than three months, the Buyer shall be entitled to withdraw from the contract in respect to the part not yet fulfilled, after having granted a reasonable extension. If the delivery period is extended or if the Supplier is released from its responsibility, the Buyer may not derive any claims for damages therefrom. The Supplier shall be entitled to invoke the mentioned circumstances only when the Supplier has informed the Buyer immediately.
4. The Supplier shall be entitled, at any time, to perform partial deliveries and partial services.
5. The compliance with the Supplier's Terms and Conditions of Delivery and Payment is conditional upon the timely and proper performance of the Buyer's obligations.
6. If the Buyer is in default of acceptance, the Supplier shall be entitled to request the replacement of the damage suffered by the latter; the risk of an accidental deterioration and of an accidental destruction shall pass to the Buyer at the time when the delay in acceptance occurs.
7. If the shipment is delayed for reasons caused by the Buyer, the latter will be charged the costs arising from storage, if the storage takes place in the Supplier's factory, however a minimum of ½ % of the invoice amount for each month, starting from the month after notification of the readiness for shipment.

## VI. Passage of Risk and Acceptance

1. The risk shall be passed to the Buyer, on dispatch of the deliverables, at the latest, also in the event of partial deliveries or when the Supplier undertook other services in addition, e.g. the delivery charges or carriage and setup. The Supplier fundamentally insures the entire shipment at the Buyer's expense under a transport insurance customary in the industry, including loading and unloading and transport of the goods to the place of setup, directly after unloading.
2. If the dispatch is delayed caused by circumstances for which the Buyer is responsible, the risk will pass to the Buyer from the day on which the goods are ready for dispatch; the Supplier shall, however, be obligated to take out the insurance requested by the Buyer, at the latter's request and cost.
3. Delivered objects must be accepted by the Buyer, irrespective of the latter's rights as defined in section IX, even if they have slight defects.

## VII. Retention of Title

1. Until all of the claims have been settled (including all claims on current account balances), to which the Supplier is entitled from the Buyer, now or in future, for any legal reason, the Supplier shall be granted the following security that shall be released on request at its discretion, when the security's value sustainably exceeds 20 % of the value of the claims.
2. The goods remain the property of the Supplier. Processing or modification shall always be performed for the Supplier as manufacturer, however without resulting in any obligation for the latter. In case the (co-)ownership ceases through joining, it is agreed, already now, that the Buyer's (co-)ownership in the unified object will pass to the Supplier, proportionally (invoice value). The Buyer will keep the Supplier's (co-)ownership safe, free of charge. Goods to which the Supplier is entitled (co-)ownership will, hereinafter, be referred to as goods subject to retention of title.
3. The Buyer shall be entitled to process and sell the goods subject to retention of title in the ordinary business operations, unless the latter is in arrears. Pledging or chattel mortgage shall not be permissible. The Buyer assigns, already now, any claims arising from the further sale or any other legal basis (insurance, tort) of the goods subject to

retention of title (including any and all balance claims from current account), in full, to the Supplier, as security. The Supplier revocably authorises the Buyer to collect the claims assigned to the Supplier in the Buyer's own name and at the latter's expense. Such authorisation for collection may be revoked, if the Buyer fails to properly comply with its payment obligations.

4. If third parties attempt to secure the goods subject to retention of title, in particular in the event of seizure, the Buyer will inform those third parties of the Supplier's ownership and immediately inform the latter, to enable the Supplier to enforce its proprietary rights. If the third party is unable to reimburse to the Supplier any court or out-of-court costs arising in connection with the matter, the Buyer shall be liable for such.
5. If the Buyer breaches the contract – in particular in the event of default in payment – the Supplier shall be entitled to withdraw the goods subject to retention of title or to request the Buyer to assign its claims for handover of property towards third parties. Taking back or pledging the goods subject to retention of title by the Supplier does not constitute a withdrawal from the contract.

## VIII. Warranty

1. The Supplier warrants that the products are free of defects in manufacturing or material; the warranty period is six months for mechanical parts of the products and for electronic parts and starts with the date of delivery (in the event of multi-shift operation within 3 months). If the dispatch, setup or commissioning is delayed, without fault on the part of the Supplier, the warranty shall expire 12 months after passage of risk, at the latest.
2. The warranty shall lapse if any operating or maintenance instructions of the Supplier are not complied with, changes are made to the products, parts are exchanged or consumable material not corresponding to the original specifications is used, unless the Buyer refutes an appropriately substantiated claim that one of these circumstances caused the defect.
3. The Buyer shall immediately inform the Supplier's customer service in writing of any defects, however within one week after receipt of the deliverable, at the latest. The Supplier shall be informed, in writing, of defects that cannot be detected despite a thorough inspection within the period mentioned above, such information shall be made immediately after detection.
4. In the event that the Buyer informs that the products are not in compliance with the warranty, the Supplier will request, at its discretion and its costs, that:
  - a) the defective part or device will be sent to the Supplier for repair and subsequent return;
  - b) the Buyer makes the defective part or device available and that a service technician of the Supplier will be sent to the Buyer to perform the repair.

If the Buyer requests that warranty work is performed at a place designated by the latter, the Supplier may comply with that request, where no charge will apply for the parts under warranty, while work hours and travel expenses need to be paid at the Supplier's standard rates.
  - c) The warranty period for the replaced part and the repair shall be three months, it will, however, as a minimum, be valid until the end of the original warranty period for the deliverable.
5. If the repair fails within a reasonable period, the Buyer may, at its discretion, request the reduction of the remuneration or cancellation of the contract.
6. Liability for normal use shall be excluded.
7. Only the direct Buyer shall be entitled to liability claims against the Supplier and such are non-transferable.
8. The paragraphs above contain the final warranty for the products and exclude other warranty claims of any type. This shall not apply to claims for damages arising from the assurance of properties which are intended to secure the Buyer against the risk of consequential damages caused by defects.
9. The above provisions of this section shall not apply to used machines delivered upon exclusion of any warranty.

## IX. Limitation of Liability

Claims for damages arising from an active violation of requirements, fault upon conclusion of the contract or unlawful action against both the Supplier and against its agents and

vicarious agents shall be excluded, unless it is caused by wilful or grossly negligent acts. This shall also apply to claims for damages for non-performance, however only insofar as the replacement of indirect or consequential damage caused by defects is requested, unless the liability is based on a representation intended to secure the Buyer against the risk of such damage. Any liability shall be limited to the damage foreseeable at the time of conclusion of the contract. The Supplier's liability under the product liability law and other claims from manufacturer liability shall remain unaffected in any event.

## X. Design Changes

The Supplier reserves the right to change the design at any time; however, the Supplier shall not be obliged to make such changes in products already delivered.

## XI. Confidentiality

The information provided by the Supplier in connection with orders shall be deemed to be confidential, unless expressly otherwise agreed upon in writing.

## XII. Applicable Law, Place of Jurisdiction, Severability

1. The laws of the Federal Republic of Germany shall apply to these Terms and Conditions of Delivery and Payment and the entire legal relationship between Supplier and Buyer, UN Purchase Law shall be excluded in full.
2. Rheda-Wiedenbrück shall be the exclusive place of jurisdiction for all disputes arising, directly or indirectly, from the contractual relationship, insofar as the Buyer is a full merchant as defined in the Handelsgesetzbuch (*German Commercial Code*), a legal person under public law or a federal special fund under public law.
3. If any of the provisions of these Terms and Conditions of Delivery and Payment are or become ineffective, the effectiveness of all other provisions or agreements shall remain unaffected.