

General Terms and Conditions of Purchase of HMT Hebing Maschinen-Technik GmbH

(as of 10/2018)

1 Scope of Application, General Provisions

- 1.1 These General Terms and Conditions of Purchase ("Terms and Conditions") shall apply to all our orders regarding deliveries and services under purchase contracts, contracts for work and materials or contracts for services ("Deliveries") and exclusively vis-à-vis entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB), legal entities under public law and special funds under public law ("Contractual Partner"). General Terms and Conditions of Business that conflict with or deviate from these Terms and Conditions or statutory provisions shall not become part of the contract, even if we are aware of them, unless we expressly agree to their validity in writing. The requirement of consent shall also apply if we accept the deliveries of the contractual partner or make payments to the contractual partner without reservation. If we agree to special terms and conditions for specific orders, these terms and conditions shall apply at least subordinate and supplementary.
- 1.2 Within the scope of an ongoing business relationship, these Terms and Conditions shall also apply to any future purchase contract, contract for work and materials, contract for work and materials, contract for services or other contract (collectively "Contract") with the contracting party without us having to refer to these Terms and Conditions in each individual case.
- 1.3 Insofar as these Terms and Conditions refer to a written form requirement, text form within the meaning of Section 126b of the German Civil Code (e.g. fax or e-mail) shall be sufficient to comply with the written form requirement.
- 1.4 For the interpretation of commercial clauses, the Incoterms shall apply in the version applicable at the time of the conclusion of the contract.

2 Conclusion of contract, use of subcontractors

- 2.1 A conclusion of contract between us and the contractual partner requires our written order or written order confirmation.
- 2.2 The contractual partner must accept our orders in writing within 14 calendar days. The receipt of the declaration of acceptance by us shall be decisive for the timely acceptance of the order. Insofar as the contractual partner's declaration of acceptance deviates from our order in terms of content, the contractual partner must specifically emphasize this in the declaration of acceptance; such deviations shall only become part of the contract insofar as we accept them in writing. A contract between us and the contractual partner shall also be concluded if the contractual partner carries out the deliveries specified in an order without reservation.
- 2.3 The drawings and other documents referred to in an order shall be part of the order. They shall become part of the contract unless the contracting party expressly stipulates otherwise in the declaration of acceptance corresponding with the order; Clause 2.2 sentence 2 shall apply accordingly.
- 2.4 If we refer to a specific intended use of the Supplies in an order, the contracting party shall be obliged to notify us in writing already prior to the conclusion of the contract if the Supplies specified in an order are not suitable without restrictions for the intended use provided for in the order.

2.5 Offers of the contractual partner shall be made free of charge for us. We can accept an offer of the contractual partner within calendar 14 days after its submission by written order confirmation. The contractual partner shall be bound by its offer until the expiry of this period. Our silence shall not constitute any reliance on the conclusion of a contract. If our acceptance of an offer of the contractual partner is received late, the contractual partner shall inform us thereof without delay.

2.6 The contractual partner is not entitled to have the deliveries carried out by third parties (e.g. subcontractors) without our prior written consent. Third parties shall not be deemed to be transport persons.

3 Prices and terms of payment

3.1 The prices agreed between us and the contracting party are fixed lump-sum prices and include the applicable value added tax. Costs for packaging, insurance, freight and storage costs, customs duties and other ancillary costs (e.g. assembly costs) are also included in the agreed prices unless otherwise agreed in writing between us and the contractual partner.

3.2 Invoices must contain the necessary legal and commercial information. The invoices must state the order no. (if available), the article no., delivery quantities and the delivery address. They must be submitted in duplicate. If hourly wage work performed is invoiced as agreed, the certified activity certificates shall be attached to the invoice.

3.3 Unless otherwise agreed, payments shall be due by us within 30 days after receipt of the deliveries (including handing over of owed documentation, test or works certificates as well as other owed documents) or - insofar as an acceptance of the deliveries is required - their acceptance and receipt of a proper and auditable invoice. If payment is made within 14 days, we shall be entitled to deduct a 3% discount. If we accept partial deliveries by way of exception, this shall not set the discount periods in motion.

3.4 If we make down payments for the deliveries, we shall be entitled to demand the provision of appropriate securities if it becomes apparent that our claim to the deliveries is jeopardized by the contractual partner's lack of ability to pay.

3.5 The receipt of a corresponding transfer order at our bank shall be sufficient for the timeliness of the payment owed by us. Our payments shall neither constitute an acceptance of the delivery nor an acknowledgement of the deliveries as being free of defects and/or on time.

3.6 The contractual partner is not entitled to claim interest on the due date. In the event of default in payment, we shall owe default interest in the amount of five percentage points above the respective base interest rate of the European Central Bank.

3.7 We shall have unrestricted rights of set-off and retention to the extent provided by law. The contractual partner shall only be entitled to rights of set-off and retention insofar as claims against us are undisputed, have been legally established or these are in a reciprocal relationship to our respective claims.

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4 Delivery, Delivery Dates, Delay in Delivery and Force Majeure

- 4.1 Deliveries shall be made on a DDP basis to the place of delivery designated in the contract ("place of delivery"), unless otherwise agreed. The contracting party shall enclose the documentation, test or works certificates, spare parts lists, operating instructions and other documents owed under the contract with the deliveries free of charge. The contracting party shall be obliged to pack the supplies safely and to insure them for transport. The contractual partner shall be obliged to ensure that both the transport packaging and the outer packaging within the meaning of the Packaging Ordinance are made of recyclable material as far as possible. Unless otherwise agreed, the contractual partner shall not be entitled to make partial deliveries or render partial services.
- 4.2 A delivery bill must be enclosed with each delivery. The delivery bill shall specify the delivery items individually with their dimensions, their weight, their number of pieces and the respective order numbers (if available) as well as the place of delivery. Partial, residual and replacement deliveries shall always be designated as such on the delivery bill.
- 4.3 Before or at the latest upon departure of each delivery, a dispatch note must be submitted to our Purchasing Department. These must contain the same information as the delivery bill. The dispatch note must reach us before the arrival of the delivery.
- 4.4 If deliveries are intended for export, pro forma commercial invoices, certificates of origin and other export documents required by the import regulations of the destination country shall be submitted prior to shipment.
- 4.5 The agreed delivery dates and deadlines ("Delivery Dates") are binding. If the contract does not contain any information about the delivery date, the deliveries shall be made within 14 calendar days. Compliance with the delivery date shall be conditional upon the Supplies being handed over to us at the place of delivery on the delivery date. If the deliveries require acceptance, the respective delivery date shall be deemed to have been met if the contracting party makes the deliveries available to us on the delivery date, ready for acceptance. Premature deliveries are not permitted.
- 4.6 If the contractual partner recognizes that a delivery date cannot be met, he must inform us immediately in writing, stating the reasons and the expected duration of the delay. The contractual partner's obligation to comply with the delivery dates shall remain unaffected by this.
- 4.7 If the contractual partner is in default of delivery, we shall have the right to demand payment of a contractual penalty in the amount of 0.5% of the agreed net price for each commenced calendar week of the default in delivery, but not more than a total of 5% of the agreed net price of the deliveries in default. The assertion of any further damages shall remain unaffected. Contractual penalties already paid shall, however, be credited against this amount. We may also claim the contractual penalty if a reservation is not made upon acceptance of the deliveries, but beyond the final payment for the delivery only if we reserve the right to do so upon final payment.
- 4.8 If we are hindered in the performance of the contract by events of force majeure affecting us, a supplier, subcontractor or customer of ours, e.g. natural disasters, civil unrest, war, strike, accidents, official orders, intervention by third parties, we shall be entitled to postpone the performance of the contract for the duration of the hindrance plus a reasonable start-up period. Events of force majeure shall be

deemed to include unforeseen events which make it substantially more difficult or impossible for us to perform the contract and which we were unable to avert with reasonable care in the circumstances of the individual case, e.g. shortage of raw materials or operating materials, breakdown of machinery, shortage of energy, obstruction of transport routes, of more than just a short duration in each case, even if these affect a supplier, subcontractor or customer of ours. We shall inform the contractual partner of the occurrence of the hindrance. If the hindrance lasts longer than three (3) months, we are entitled to withdraw from the contract. The contractual partner shall have the same right.

5 Acceptance, transfer of risk and ownership

- 5.1 Deliveries shall only require acceptance if this has been expressly agreed between us and the contractual partner or if this results from the statutory provisions.
- 5.2 Unless otherwise agreed, we may declare acceptance in any case up to 14 calendar days after notification that the Supplies are ready for acceptance. Partial acceptances are generally excluded. In all other respects, our rights and obligations in respect of acceptance shall be governed by the statutory provisions.
- 5.3 The risk of accidental loss and accidental deterioration of the deliveries shall pass to us upon their handover at the agreed place of delivery. If the deliveries require acceptance, the risk of accidental loss and accidental deterioration of the delivery shall only pass to us upon acceptance.
- 5.4 If, by way of exception, a reservation of title is agreed between the contractual partner and us, this shall have the effect of a simple reservation of title. We reject an extended or expanded retention of title. By payment of the price, ownership of the supplies shall pass from the contracting party to us at the latest. We shall be entitled to mix, process or combine Deliveries delivered under retention of title in the ordinary course of business with effect for us and also to resell them.

6 Warranty

- 6.1 Material defects:
- 6.1.1 The contracting party warrants that the supplies are free from material defects at the time of transfer of risk. Unless otherwise agreed, the supplies of the contracting party must in all respects comply with the contractually agreed quality, the product and environmental protection laws, the relevant safety regulations, ordinances and provisions of authorities and trade associations as well as the latest state of science and technology, be of high quality in terms of type and grade and be suitable for the contractually stipulated or customary use.
- 6.1.2 We shall be entitled to demand that the contractual partner remedy the defect or deliver a new product ("subsequent performance") at our discretion. The contractual partner shall bear all costs for the purpose of subsequent performance, such as transport, travel-, labor and material costs.
- 6.1.3 Our legal obligation to give notice of defects is limited to the inspection of the deliveries with regard to their quantity, type of goods, any externally visible transport damage or other obvious defects. A notice of defects is in any case timely if it is made within a period of five calendar days after delivery or, in the case of hidden defects, after discovery of the respective defect. We shall not be subject to any obligations to inspect and give notice of defects that go beyond the foregoing.

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6.2 Legal defects:

6.2.1 The contracting party warrants that the supplies are free from defects in title at the time of transfer of ownership. In particular, it shall ensure that third parties cannot assert any rights with respect to the Deliveries, in particular no rights in rem and industrial property rights such as patent rights, trademark rights, utility models, design rights and copyrights (hereinafter referred to as "Property Rights") or that Property Rights of third parties are infringed within the Federal Republic of Germany or, if the Contracting Party has been informed thereof, within the country of destination of the Deliveries.

6.2.2 If a third party asserts claims against us due to the infringement of property rights with regard to the deliveries of the contracting party, the contracting party shall, at our discretion and at its own expense, either obtain a right of use, modify its delivery in such a way that the property right of the third party is not infringed or exchange its delivery for a new one - free of property rights of third parties.

6.3 A release of samples or specimens declared by us does not imply any limitation of defect rights and does not affect such rights of us.

6.4 Our payments shall not be deemed as acknowledgement of freedom from defects.

6.5 The limitation period for our claims for defects is 36 months from the transfer of risk, unless a longer limitation period for claims for defects applies by law.

6.6 Upon receipt of our written notice of defects by the contractual partner, the limitation of claims in connection with these defects shall be suspended until agreement has been reached with the contractual partner on the elimination of the defect and any consequences; however, the suspension shall end six (6) months after final rejection of the notice of defects by the contractor.

6.7 After a new delivery has been made, the warranty period for newly delivered supplies shall begin again, unless we had to assume, based on the conduct of the contractual partner, that the latter did not consider itself obligated to take the measure, but only undertook the subsequent performance as a gesture of goodwill or for similar reasons.

6.8 The contracting party shall indemnify us against claims for damages and reimbursement of expenses asserted against us by third parties on account of a defect for which the contracting party is responsible in relation to the supplies.

6.9 Notwithstanding any contractual rights in respect of defects, all our rights in respect of defects - due to material defects and defects of title - shall remain unaffected on the basis of the statutory provisions.

7 **Product liability**

7.1 The contracting party shall be responsible for all claims asserted by third parties for personal injury or property damage attributable to a defective delivery made by it and for which it is responsible, and shall be obliged to indemnify us against any liability resulting therefrom, in particular product liability.

7.2 Within the scope of the aforementioned indemnification obligation, the contractual partner shall reimburse all our costs arising from or in connection with a claim by third parties, including recall actions carried out by us. As far as possible and reasonable in the specific case, we shall inform the

contractual partner of the content and scope of such measures and give him the opportunity to comment.

7.3 The contractual partner shall be obliged to maintain product liability insurance at its own expense with coverage of at least EUR 2.5 million. The contractual partner shall send us a copy of the liability policy at any time upon request.

8 **Spare parts and quality assurance**

8.1 The contracting party shall be obliged to keep spare parts for the deliveries in stock for a period of at least ten (10) years after the respective delivery.

8.2 If the contracting party intends to discontinue the production of spare parts for the supplies, it shall notify us thereof without undue delay after the decision to discontinue has been made. This notification must be made at least 12 months before the discontinuation.

8.3 The contractual partner shall carry out quality assurance of a suitable type and scope and in accordance with the latest state of the art and shall provide us with evidence of this upon request. The contractual partner shall conclude a corresponding quality assurance agreement with us insofar as we consider this to be necessary.

8.4 All relevant provisions, regulations, ordinances and laws must be complied with for all deliveries, in particular the accident prevention regulations of the German Federation of Institutions for Statutory Accident Insurance and Prevention, the regulations of the VDE, VDI, DVGW, VdTÜV and the EC Machinery Directive.

9 **Liability**

9.1 The contractual partner shall be liable to us for damages and reimbursement of expenses in accordance with the statutory provisions, unless otherwise agreed.

9.2 We shall not be liable to the contractual partner for damages and reimbursement of expenses, irrespective of the legal grounds (contract, tort, breach of duties arising from the contractual obligation, indemnification, etc.).

9.3 The above exclusion of liability shall not apply in the event of liability under the Product Liability Act, in cases of intent or gross negligence, in the event of culpable injury to life, limb or health, or in the event of a breach of material contractual obligations, i.e. obligations the fulfillment of which is essential to the proper performance of the contract and on the fulfillment of which the contractual partner regularly relies and may rely.

9.4 However, liability for breach of material contractual obligations shall be limited to compensation for foreseeable damage typical for the contract, unless we are liable on the basis of intent or gross negligence, injury to life, limb or health or under the Product Liability Act.

9.5 Insofar as our liability is excluded or limited in accordance with the above clauses, this shall also apply to the corresponding personal liability of our employees, representatives and vicarious agents.

10 **Provisions**

10.1 If we provide the supplier with materials, tools or other means of production (jointly referred to as "Provisions"), we shall retain title thereto. The contractual partner may only use the Provisions for our orders. Reproductions of

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Provisions may only be made with our prior written consent. The reproductions shall become our property upon their production.

- 10.2 The materials provided shall be stored, marked and kept separately free of charge. The risk of accidental loss and accidental deterioration of the Provisions shall be borne by the contractual partner. The contractual partner shall carry out maintenance and repair work on the materials provided at its own expense. The contractual partner must notify us immediately of any seizure of the materials provided or other interventions by third parties.
- 10.3 The contractual partner shall only be entitled to combine, mix, process or transform the Provisions with our prior written consent. Any processing or transformation (collectively "processing") of the Provisions by the contractual partner shall be carried out for us as manufacturer within the meaning of § 950 of the German Civil Code (BGB) without any obligation on our part. The processed Provisions to which we acquire title shall also be deemed to be Provisions within the meaning of this Clause 10. In the event of the Provisions being combined or mixed with goods which are not our property, we shall acquire co-ownership of the new items. The extent of this co-ownership shall be determined by the ratio of the net invoice value of the Provisions to the net invoice value of the other goods. If our ownership expires due to combination, mixing, processing, the contractual partner shall already now transfer to us the ownership rights to the new item to which it is entitled to the extent of the net invoice value of the materials provided and shall keep these in safe custody for the client free of charge. The co-ownership rights shall be deemed to be provisions within the meaning of this Clause 10.
- 10.4 The contractual partner shall be obliged to insure the materials provided at its own expense against fire, water, theft and breakage and to provide us with evidence of the insurance upon request. At the same time, the contractual partner hereby assigns to us all claims arising from this insurance. We hereby accept the assignment.
- 10.5 The contracting party undertakes to surrender any materials provided at any time upon our request, unless otherwise agreed.

11 Ownership of documents and confidentiality

- 11.1 We reserve all property rights and copyrights to illustrations, drawings, forms, samples, designs and other documents (collectively "Documents") provided by us. The Documents may not be made available to third parties without our express written consent. The Documents shall be used exclusively for the manufacture of the Supplies. Clause 10.5 shall apply accordingly.
- 11.2 The contractual partner shall treat our documents and all information obtained from us regarding business, operation and know-how as well as other information from us (collectively "Information") as confidential. The Information may only be disclosed or made available to third parties with our express written consent.
- 11.3 Exempt from the above obligations is information that a) was demonstrably already known to the contracting party at the time of conclusion of the contract or subsequently becomes known to it from a third party, without thereby violating a confidentiality agreement, statutory provisions or official orders; b) is publicly known at the time of conclusion of the contract or subsequently becomes publicly known, insofar as this is not based on a violation of this contract; c) must be disclosed due to statutory obligations or by order of a court or authority.

12 Export control reservation

The fulfillment of a contract on our part is subject to the proviso that there are no obstacles to the fulfillment due to national or international regulations of foreign trade law as well as no embargos and/or other sanctions.

13 Other

- 13.1 The place of performance for the deliveries to be made by the contractual partner (including any subsequent performance) shall be the place of delivery specified in the contract with us. Otherwise, the place of performance shall be our registered office in Bocholt.
- 13.2 The exclusive place of jurisdiction for all disputes arising from or in connection with these terms and conditions is our place of business in Rhede. However, we shall be entitled to sue the contractual partner at its general place of jurisdiction or any other competent court. The above provisions shall not apply insofar as an exclusive place of jurisdiction is given by law.
- 13.3 These terms and conditions as well as all contracts between us and the contracting party shall be governed by the laws of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 13.4 Should one or more provisions of these terms and conditions be or become void or ineffective, this shall not affect the validity of the remaining provisions.