

GENERAL TERMS OF SALE AND DELIVERY

Section 1

Scope

- (1) Any deliveries made by Kaup GmbH & Co. KG Gesellschaft für Maschinenbau (hereinafter referred to as "**Seller**") are exclusively subject to these general terms of sale and delivery. The Seller does not recognize any Buyer terms that contradict or deviate from our general terms of sale and delivery, unless the Seller has specifically approved their application in writing. These general terms of sale and delivery also apply when the Seller is aware of any Buyer conditions that contradict or deviate from these general terms of sale and delivery but delivers the goods or, respectively, accepts the order without any reservations.
- (2) The general terms of sale and delivery only apply if the Buyer is an entrepreneur (Section 14 BGB [German Civil Code]), a legal person under public law, or a special asset under public law.

Section 2

Offer, Conclusion of Contract

- (1) Seller's offers are subject to change and non-binding unless the offer states something to the contrary.
- (2) The Seller reserves all rights of title and copyrights to drawings, samples, illustrations, plans, calculations and computations as well as all other physical and/or electronic records and/or information. These records must be used exclusively for the contractual performance and may not be made accessible to third parties without the Seller's explicit written prior consent.
- (3) The Buyer's order is a legally binding offer to conclude a contract.
- (4) A contract for delivery is not concluded until the Seller has issued a written order confirmation. If no order confirmation is issued, a contract for delivery (which is subject to these general terms of sale and delivery) comes about through the provision of the goods.

Section 3

Prices / Terms of Payment

- (1) Unless the parties have agreed on other conditions for a particular case, the Seller's prices are to be understood "EXW work Aschaffenburg" (Incoterms 2010) plus the statutory VAT applicable at the time the invoice is issued.
- (2) Invoices become payable within 14 days upon the delivery of the goods and invoice date without any discount. Notwithstanding this provision, the Seller is entitled to make a delivery depend on a matching payment upon delivery at any time and without having to provide any reasons.
- (3) The Buyer's payment is considered in default once the period allowed for payment stated in Clause (2) has ended. If the Buyer is in default, the Seller is entitled to charge default interest in the amount of eight percentage points above the base rate. The claim to commercial maturity interest (Section 353 HGB [German Commercial Code]) remains unaffected. Additional damages may be asserted.
- (4) All payments must be made in Euro.
- (5) The Buyer is only entitled to offset payments and to assert rights of retention to the extent the Buyer's counterclaims are uncontested or were upheld by a court of law.

Section 4

Retention of Title

- (1) The Seller retains title to the delivery goods until all payments under the delivery contract have been received.
- (2) The Buyer pledges to insure the goods subject to a retention of title for their reinstatement value at its own expense against damages resulting from fire, water, and theft.
- (3) The Buyer is not entitled to resell any goods subject to a retention of title and/or to process them. The goods delivered subject to a retention of title may not be pledged to a third party or their title transferred as collateral until the secured claims have been paid in full. The Buyer must inform the Seller immediately of any access a third party may have had to the Seller's property.
- (4) Due to the retention of title, the Seller may only demand that the goods subject to a retention of title be surrendered, if the Seller has withdrawn from the contract.

Section 5

Shipping

- (1) Unless the Buyer and the Seller have not agreed anything to the contrary, the goods will be shipped "EXW work Aschaffenburg" (Incoterms 2010). If requested by the

Buyer, the Seller will take out insurance against customary transport risks at the Buyer's expense.

- (2) If delivery is delayed due to a request by the Buyer or if delivery on call has been agreed upon for a particular order and if the Buyer does not call on the shipment within one month from the time the Buyer was informed that the goods are ready for shipment and if the Buyer is liable for this delay, the goods will be kept or stored at the Seller's premises at the Buyer's risk and expense. The goods will be invoiced as delivered "EXW work Aschaffenburg" (Incoterms 2010).
- (3) If the goods are subject to acceptance, the time of acceptance is relevant for the transfer of risk. Acceptance must be performed on the acceptance date, or, alternatively, immediately upon notification of readiness for acceptance.

Section 6

Deliveries / Delivery Time

- (1) The parties will agree on the delivery date. A delivery period is deemed as having been complied with if, upon its expiration, the goods have left the factory or readiness for shipment has been advised.
- (2) Compliance with all agreed-upon delivery and performance dates requires a timely receipt of all records to be provided by the Buyer, a timely submission of all necessary information, fulfilment of all other obligations by the Buyer, as well as the clarification of all commercial and technical questions. If these requirements are not fulfilled in a timely manner, the periods are extended accordingly. This does not apply if the Seller is responsible for the delays.
- (3) As soon as the Seller recognizes that the agreed-upon date cannot be met, the Seller will inform the Buyer immediately.
- (4) The Seller is not liable for delivery delays caused by force majeure or other events that were unforeseeable at the date the contract was concluded or that have occurred at its own premises or a supplier's premises (e.g. strike, lock-out, operational disruptions, late shipments from suppliers, transport delays, unfavourable weather, interventions by public authorities, natural disasters, fire, flooding, etc.), which the Seller is not responsible for. The delivery period is extended by the duration of the Seller's inability to delivery for which the Seller is not responsible.
- (5) The Seller is entitled to make partial deliveries if (i) the Buyer can use the partial delivery within the scope of the contractually intended purposes, (ii) delivery of the remaining goods is guaranteed, and (iii) the Buyer does not incur any additional costs.
- (6) Claims for damages based on the inability to deliver or delivery delays are limited by the provisions of Section 8(6) of these general terms of sale and delivery.

Section 7

Right of Cancellation

- (1) In the event the Buyer's payment is in default or a request for the opening of insolvency proceedings concerning the Buyer's assets has been made, the Seller is entitled to cancel the contract in accordance with the legal provisions and to demand the surrender of already supplied goods. If the Buyer does not pay the payable purchase price, the Seller may only assert these rights if the Seller has previously set an appropriate grace period for payment which has expired unsuccessfully or if the setting of such a grace period is not required by law.
- (2) The Seller is furthermore entitled to cancel the contract if force majeure, strikes or natural disasters or non-delivery, incorrect, or late delivery by an upstream supplier makes delivery significantly more difficult or impossible and if this obstacle, which the Seller is not responsible for, is not only of a temporary nature.

Section 8

Warranty / Damages / Liability

- (1) The Seller does not assume any liability for customary wear and tear, unsuitable or incorrect storage, utilization or treatment, wrong installation and/or operation by the Buyer or a third party commissioned by the Buyer, improper maintenance, unsuitable equipment unless the Seller is responsible for these.
- (2) The Buyer must give the Seller the opportunity to review a complaint and must, in particular, allow the Seller to inspect any damaged goods and their packaging.
- (3) If an item is defective, the Seller is entitled to supplementary performance in the form of remediation or to supply an item free from defects. Supplementary performance does not include the dismantling of the defective item or its reinstallation if the Seller was not originally obligated under the contract to install the item.
- (4) The warranty does not apply if the Buyer modifies the delivery item without the Seller's approval or has it modified by a third party and if this makes the remediation of the defect impossible or unreasonably more difficult. In any event, however, the Buyer must bear all additional costs for the remediation of the defect incurred as a result of the modification.
- (5) If remediation or a replacement delivery is impossible, if it is denied, or if it is not performed by the Seller by a reasonable deadline set by the Buyer for reasons the Seller is responsible for, the Buyer may either cancel the contract or decrease the purchase price. A deadline is not required in cases where the law does not demand it.
- (6) Any further claims by the Buyer, especially for damages instead of performance and for a reimbursement of other direct or indirect damages, including associated or

subsequent damages and regardless of the legal grounds, are excluded. This does not apply if:

- a. The Seller maliciously concealed a defect of title or a material defect or if the Seller has granted a guarantee for their absence or the goods' characteristics.
 - b. The damage was caused by the intent or gross negligence of the Seller, one of its legal representatives or auxiliary agents, or by a negligent violation of important contractual obligations by the Seller or these individuals. Important contractual obligations are those obligations that must be fulfilled to make a proper execution of the contract possible and for which the contracting partner regularly trusts and may trust that they will be fulfilled by the contracting partner. In the event of material damages or financial losses that were incurred due to slight negligence, the Seller's reimbursement obligation is, however, limited to the amount of the damages that are typical for such contracts and foreseeable.
 - c. A culpable violation of duty caused by the Seller or its legal representative or auxiliary agent has led to bodily injuries or health damages.
 - d. Liability is based on the Product Liability Law.
- (7) The provisions of the above section apply accordingly to the Buyer's direct claims against the Seller's legal representatives and auxiliary agents.

Section 9 Limitation Period

- (1) The limitation period for claims based on defects of material or defects of title is governed by Section 438 BGB. Contrary to Section 438(1), No. 3 BGB, the general limitation period for claims based on defects of material or defects of title is one year from delivery. If acceptance was agreed upon, the limitation period begins at the date of acceptance.
- (2) All other claims, especially those excluded from liability pursuant to Section 8(6), will become time-barred in accordance with the legal provisions.

Section 10 Proprietary Rights

- (1) If the contractual utilization of the goods delivered by the Seller violate third-party proprietary rights within the Federal Republic of Germany and if, as a result of such violation, the Buyer is completely or partially prohibited from using the same, the Seller will, at its cost and at its discretion, either:
 - a. Obtain the right to use the delivered items for the Buyer;

- b. Modify the delivered items so that they do not violate proprietary rights, or;
 - c. Replace the delivered items with other items that have an equivalent level of performance but that do not violate proprietary rights.
- (2) If the measures stated under (1) are not possible within a reasonable period of time or if they are not economically reasonable, the Buyer is entitled to cancel the contract. Under the named conditions, also the Seller is entitled to cancel the contract.
- (3) Any claims for damages are governed by Section 8(6).
- (4) Claims based on an infringement of third-party proprietary rights are excluded if the infringement of third-party proprietary rights within the Federal Republic of Germany resulted from a specific instruction by the Buyer, an arbitrary modification or a non-contractual utilization of the supplied item through the Buyer.

Section 11

Place of Fulfilment / Jurisdiction / Applicable Law / Language / Other

- (1) If nothing to the contrary was specifically agreed upon, the place of fulfilment will be the Buyer's place of business.
- (2) The exclusive, and also international, place of jurisdiction for all disputes arising from the delivery relationship is the court competent for the Seller's place of business. The Seller is entitled to sue the Buyer also at the Buyer's place of jurisdiction.
- (3) The parties have agreed that the laws of the Federal Republic of Germany apply. The UN Convention on Contracts for the International Sale of Goods does not apply.
- (4) If individual provisions of these general terms of sale and delivery are completely or partially void or ineffective, the validity of the remaining provisions will remain unaffected.