

General Sales Conditions of Hüttenhölscher Maschinenbau GmbH & Co. KG *

I. Scope of Application

- 1.) All our goods and services, including those from future business transactions, are subject to the following sales conditions in their respective current versions.
- 2.) These conditions of sale shall apply exclusively. Any opposing terms and conditions or terms and conditions of the purchaser that deviate from these terms and conditions shall not apply. Conditions of the purchaser that deviate from our conditions shall also not apply, even if we deliver our goods and service without any reservations and are aware of conflicting or deviating terms and conditions.
- 3.) The sales terms and conditions shall apply towards enterprises, public-law legal entities and public-law special funds.

II. Conclusion of the Contract

- 1.) As far as they are not specifically marked binding, our offers are non-binding in terms of delivery, delivery time and price and are subject to change.
- 2.) Documents from the offer or accompanying the offer such as illustrations, drawings, etc., represent only approximate values unless they have been expressly named as binding. We reserve all property rights and copyrights to all order-related documents, samples, drawings, cost estimates - regardless of their form in which they are received - originating from us. Such documents may not be made accessible to third parties without our expressed written consent.
- 3.) Customer orders can be accepted within fourteen (14) days of the date of receipt by a written order confirmation or by delivery of the ordered goods. Orders received by Fax or e-mail shall also apply as written declarations.
- 4.) Should we provide an offer or quotation, we will comply with these orders for a period of fourteen (14) days from date of the offer. The customer can accept this offer in writing within this period. This time limit shall be met, if the declaration of acceptance of the customer is received within this period.

III. Scope of Delivery, Deliveries

1.) The offer, quotation or order confirmation shall prove decisive to the scope of our deliveries and services, unless otherwise specifically agreed.

2.) Deliveries are carried out on the basis of EXW Verl (INCOTERMS 2000) performed at the purchaser's risk unless otherwise specifically agreed.

3.) Delivery dates indicated by the seller are not binding as a matter of principle unless otherwise expressly agreed in writing. The observance of delivery dates presumes that all commercial and technical issues have been clarified between the contracting parties, and that customer has performed all obligations incumbent on the customer (procurement of necessary official certificates or approvals, or that agreed down payments have been made). If the prerequisites are not met, the delivery time is extended accordingly, but this does not apply if we are responsible for the delay.

As far as shipment is agreed upon, delivery terms and delivery times refer to the date of the handover to the shipper, carrier or other for the transport contracted third party. If an acceptance is agreed, delivery terms and delivery times refer to the time, at which our readiness for acceptance is received at the customer.

4.) The observance of delivery dates are subject to timely and correct receipt of shipment receivables; should circumstances arise that may entail a delay, we shall inform the customer immediately.

5.) Taking into account the customer's interests, we shall be entitled to make partial deliveries, in so far as this is reasonable.

6.) Force majeure, strike or lock out or other (including predictable) occurrences outside of the influence of the suppliers, that prevent, hinder or present a significant obstacle to our goods or services shall extend the delivery time including the required lead time. The same shall apply for events of this nature affecting our suppliers. We shall inform the customer immediately in the event of such circumstances. The customer can then demand a declaration from us whether we wish to withdraw from the contract or deliver within a reasonable period. In the event of non-declaration, the customer can terminate the contract. Further claims by the customer in such cases are ruled out.

7.) If the shipping is delayed because of circumstances attributable to the customer, we are entitled to enforce the damages caused by the delay against the customer, in particular costs, incurred for insurance or storage of the goods as well as other expenses and costs incurred.

8.) If we are late with delivery or other reasons attributable to us prevent delivery, our liability is limited to damages due to impossibility of performance and to reimbursement as specified under provision VIII.

IV. Prices, Payment Terms

- 1.) Unless otherwise agreed, our prices are quoted net ex-works, including loading ex-works, but excluding packaging. Prices are quoted in EURO and do not include the statutory value added tax applicable; export deliveries do not include customs duties or other fees and other public charges.
- 2.) The price includes the agreed scope of delivery. Modifications, additional or special services will be charged separately.
- 3.) Unless otherwise agreed in writing, payment must be rendered in cash strictly net free to the account stated as follows:
 - 30% of the order value shall become due immediately,
 - 60% of the order value shall become due immediately when ready for delivery,
 - 10% after successful commissioning, but no later than 30 days after delivery to the customer.
- 4.) In the case of default, we shall be entitled to charge interest at a rate of eight percent (8%) above the base interest rate, irrespective of further claims.
- 5.) Offsetting of payments is only admissible where counter-claims have been established by due legal process or have been acknowledged by us in writing. The customer is eligible for right of retention if they are undisputed, approved or determined with legal effect if they are based upon the same, identical contractual relationship.
- 6.) If following conclusion of the agreement we become aware of circumstances that give us good reason to doubt the ability of the customer to pay, and until the complete payment of all open accounts receivable based on the business relationship, we shall be entitled to withdraw from the agreement, unless the customer is prepared to pay for the goods in advance or furnish us with some other acceptable form of security.

V. Passage of Risk, Acceptance

- 1.) The risk shall pass to the customer, even with partial deliveries, as soon as a goods consignment has left our factory for delivery. On request and at the expense of the customer, the consignment will be insured against theft, breakage, damage occurring during transit and damage caused by fire and water.
- 2.) If an acceptance is agreed, risk passes to the customer with delivery or at the start of commissioning at the customers site. The acceptance procedure must be undertaken without undue delay after the readiness for acceptance. Negligible discrepancies do not give the customer the right to refuse delivery.
- 3.) If despatch is delayed for reasons for which we cannot be held responsible, risk shall be transferred at the point in time when the customer is informed that the goods are ready for despatch or acceptance. In this case, we can take out insurance upon request and to the expense of the customer.

VI. Retention of Title

1.) We reserve all property rights until all outstanding amounts resulting out of the business transaction are paid in full, also including open accounts and current accounts. In the event of a breach of contract by the customer, especially a delay in payment, at the end of a reasonable period set by us, we are entitled to cancel the contract and take back the goods. The proceeds of the sale, minus reasonable administrative expenses, become the liability of the customer.

2.) The customer is entitled to process or resell the goods as part of ordinary business transactions but is not entitled to pledge the goods to a third party or to assign them as security. The customer shall settle immediately all outstanding debts that they incur through the resale of the goods to a third party to the value of the invoice amount, regardless of whether the goods have been re-sold without or after processing. In addition to ourselves, the customer remains authorized for collection of these receivables even after assignment. We shall be entitled to revoke the customer's authorisation to collect in the case as soon as the customer defaults on his contractual obligations, in the case of a default of payment, bankruptcy proceedings or other indication of the customer's insolvency. In the event of a revocation of the right of collection, we have the right to request the customer to disclose to us the assigned claims and their respective debtors, to furnish all information required for collection, hand over the relevant documents and inform the debtors of the assignment.

3.) The preceding provisions shall apply for claims that are made instead of the goods or that result because of these goods, such as, for example, insurance claims or actions ex delicto.

4.) In the event of any levies of execution or other seizures by third parties, the customer must inform us thereof immediately and in writing enabling us to file a legal action under §§ 771 ZPO. If the third party is not in a position to reimburse the court and out-of-court costs of an action brought in accordance with § 771 ZPO, the customer shall be liable for the loss incurred by us.

5.) The processing or transforming of the goods by the customer shall always be done on our behalf. If the goods are processed using other objects, which are not our property or that cannot be separated, we acquire the joint ownership of the new object at a ratio of the value of the goods to the other processed objects at the time of processing. The new object that results from the processing is otherwise subject to the same provisions as products delivered under the retention of title.

6.) We undertake to release the security owed to us at the ordering party's request to the extent that the value of our security exceeds the claims to be secured by more than ten percent (10 %). The choice of securities to be released shall lie with us.

VII. Examination of the Goods, Claims for Defects

1.) In case the parties have agreed on acceptance, the customer is obliged, at their own expense, to inspect the goods immediately – in the case of self-collection or collection – for damages. Manifest faults shall be contested immediately, and within 5 working days at the latest in writing. Hidden

defects are to be contested within the same period after they are discovered. A claim by telephone or orally to the transport personnel of the installers/fitters, even when they represent us directly, is insufficient.

2.) The customer is obliged to allow the on-site inspection of the goods subject to the claim by us or a representative/examiner that we have appointed.

3.) In case of defective goods, we will at first, by our choice, perform warranty by repair or replacement delivery. Replaced components become our property.

4.) The customer must grant us, after consultation with us, the time and opportunity to effect all rectification and replacements we deem necessary in our reasonable judgement. The customer is also obliged to inform us of defects in urgent cases; should we be unable to rectify the fault within an appropriate time after the indication of the defect, the customer can repair the defect themselves or authorize a third party to do so. We shall endeavour to reimburse the necessary and proportionate measures in this case.

5.) Defects will be repaired at our cost, but we shall not be responsible for any costs arising due to the goods being taken by the customer to a place other than the place of fulfilment.

6.) If such supplementary performance is unsuccessful or not within a period deemed appropriate by the customer, the customer shall be deemed entitled to withdraw from the contract or to reduce the purchase price. If the defect is insignificant, the customer shall merely have the right of reduction of the purchase price.

7.) More extensive claims by the customer shall be subject to provision VIII of the Sales Conditions.

8.) In the event of a defect in the goods, we shall not be liable in the following cases: Any material defects in respect of any defect deriving from unsuitable or improper use, in particular failure to observe the instructions in the operating manual, defective assembly or operation by the partner or third parties, normal wear and tear, defective or negligent handling, improper maintenance, unsuitable operating media, poor foundations, chemical, electro-chemical or electrical influences to the extent that they are not our responsibility, manual interventions into the control system and in particular the software.

9.) We shall not be liable for improper working of the customer or third parties, including repairs or modifications as well as any consequential damages.

10.) Guarantees on our behalf shall require an explicit written agreement; in particular, we shall not assume liability or warranties implied in the customer's terms and conditions.

11.) Claims for defects shall be limited to twelve (12) months after transfer of risk; defects of delivered items, which have been used for a construction in accordance with their normal field of use and which have caused faultiness of the latter, shall be subject to the statutory period of limitation or as specified under provision VIII 1.) - 3.).

12.) Should the proprietary rights of third parties be infringed by goods we have provided to the customer, we shall endeavour to ensure that the customer obtains the right of usage or shall modify the goods in a manner reasonably acceptable for the customer, whereby the rights of third parties are no longer infringed.

Should we be unable to effect the required measures in a reasonable manner or in a reasonable time-frame, we reserve the right and grant the customer the right, to withdraw from the contract.

13.) Should we be liable pursuant to existing legislation, the customer shall not be liable for undisputed or legally enforceable claims from the third parties.

14.) Our liability, as mentioned above, for infringement of third-party rights is excluded if the defect in title is based on an instruction of the customer or if the infringement was caused by the customer having modified the delivered item arbitrarily or used it in a way not conforming to the contract. It shall also apply should the customer fail to immediately notify us of asserted breaches of industrial property rights or copyrights, and also should the customer fail to provide us with the information and documentation to counter the claim, or should the customer fail to support us or independently start a defence against the claims without informing us, or should the customer fail to deny the claims or acknowledge the claims of third parties.

VIII. Liability

1.) We shall be liable pursuant to applicable statutory provisions for damages or reimbursement of expenses, which concern intentional or grossly negligent conduct, including intentional or grossly negligent conduct by representatives or agents. In the case of no intentional breach of contract, compensation is limited to foreseeable, typically occurring damages.

2.) We shall be further liable pursuant to applicable statutory provisions for the culpable breach of an important contractual duty. In this case as well, the liability for compensation charges is limited to foreseeable, typically occurring damages.

3.) Liability on the grounds of culpable harm to life, body or health is unaffected, as is liability according to the German product liability act («Produkthaftungsgesetz«).

4.) Insofar as nothing to the contrary has been established within this agreement, the liability is excluded.

5.) In order for us to limit our product liability, the customer is obliged to provide us with all information at his disposal that indicates a product defect. This applies in particular to claims made by contractual partners of the customer. The customer shall inform us immediately and comprehensively in the event of recalls.

6.) Should the customer export the goods from the Federal Republic of Germany without our expressed prior agreement, we will not accept any liability for any consequences arising, particularly for infringement of third party rights. The customer is obliged to substitute any damage that is caused by export of our products, which are not delivered expressly for export.

XIV. Software

- 1.) Should software be a constituent of the delivered goods - unless otherwise agreed expressly in writing - the customer shall be granted a non-exclusive right to use the software and its associated documentation with the delivered goods.
- 2.) Translation, duplication, revision or conversion from the object code to the source code is a copyright violation and thereby a criminal offence. Manufacturer's identifications and copyright marks may not be removed or modified by the customer.
- 3.) The customer shall not be entitled to further rights to the software or documentation, in particular the right to grant sub-licenses.

XV. Final provisions

- 1.) Place of performance in accordance with this contract is Verl.
- 2.) The place of jurisdiction is also Verl. However, we are entitled to bring legal action against the customer at any registered place of jurisdiction.
- 3.) The German substantive law excluding the United Nations Convention on Contracts for the International Sale of Goods shall be exclusively applicable to the legal relationship in connection with the customer.
- 4.) If provisions of this agreement or a provision adopted in this agreement in the future should become legally invalid, in whole or in part, the validity of the remaining provisions shall remain unaffected.

*) This translation of the original German document is provided for your convenience.

In the event of any conflict or contradiction between the German language version of this contract and the English language translation, only the German language version shall be legally valid.