



General Sales Conditions of B. Strautmann & Söhne GmbH u. Co. KG

§ 1 Scope of Application

- 1.1 Our terms and conditions of sale apply exclusively; we do not recognise any conditions of the customer to the contrary or those which deviate from our conditions of sale except when we have specifically agreed in writing to their validity. Our conditions of sale apply even if we carry out a delivery to the customer without any reservation when we are aware of contrary conditions of the customer or those which deviate from our conditions of sale.
- 1.2 Our terms and conditions of sale apply solely to entrepreneurs as defined in § 310 BGB (German Civil Code).
- 1.3 Our terms and conditions of sale shall also apply in their respective version for all future business transactions of a similar type with the customer, without any need for us to refer to them again in each individual case; we will inform the customer of any alterations at the latest upon conclusion of the respective contract.

§ 2 Offers – Prices - Conditions of Payment

- 2.1 Our offers are non-binding and subject to confirmation, unless exceptionally a specific legal intention to be bound has expressly arisen from the offer. A contract has not been concluded until we submit our order confirmation and only under the conditions confirmed by us in writing, or through deliveries.
- 2.2 Our prices include additional statutory sales tax for delivery ex-works ("ex-works" Incoterms 2010) Bielefelderstrasse 53, 49496 Bad Laer, Federal Republic of Germany.
- 2.3 Unless otherwise agreed in the order confirmation, the date of payment is 30 days' net. Any discount deduction which may be agreed on new invoices is inadmissible if older invoices due have not yet been settled. The date of payment is considered to be the date on which we can dispose of the value of the cash receipt. If down-payments or payments in advance have been agreed, the statutory sales tax is added to the down-payment or payment in advance.
- 2.4 It can be agreed between the contractual parties that the customer has to open a documentary credit via his bank (or another bank acceptable to us). In this case, it is laid down that the opening of the documentary credit is carried out in accordance with the Uniform Customs and Practice for Documentary Credits, revision 2007, ICC-Publication No. 600 ("ERA").
- 2.5 The customer has the right of offsetting and retention only if and when his counterclaims have been stated legally binding, undisputed or recognised by our company, or when a consideration is involved which results from the contractual relationship, especially a counterclaim arising from a refusal of performance. The customer is entitled to exercise the right of retention only in the event that his counterclaim involves the same contractual relationship.
- 2.6 Subsequent amendments of, or additions to, the contract or major results therefrom will be set out in writing and confirmed by both parties. In cases in which we perform services for which no fixed price has been agreed, we will calculate the price using the standard accounting rates valid at the time that the service was performed. Moreover, we can take into account all costs which arise including an appropriate surcharge. We will document the surcharge upon request.

§ 3 Delivery and Performance

- 3.1 Compliance with all our obligations of delivery and fulfilment assumes the prompt and proper fulfilment of the customer's obligations and the prior clarification of all technical questions.
- 3.2 The despatch of our products and goods is carried out by the least expensive means and at the risk and cost of the customer. Should the customer so wish, we will cover the delivery with a transportation insurance policy. The resulting costs are to be borne by the customer.
- 3.3 Partial deliveries are acceptable if:
 - the customer can use the partial delivery within the scope of the contractually intended purpose
 - delivery of the remainder of the goods ordered is ensured and
 - no major extra expense or additional costs result (unless we express our willingness to bear these).
- 3.4 Deviations of the delivery item from the order confirmation which are customary in the trade, offers/quotations, samples, brochures, data sheets, trial deliveries and pre-deliveries are permissible according to the relevant valid DIN-/EN norms or other applicable technical norms.
- 3.5 Goods forming part of properly executed deliveries can only be taken back if we agree to the return, in which case the customer has to meet the costs of the return.
- 3.6 Force majeure, official requirements and other conditions for which we are not responsible release us from our supply/service performance obligations for the duration of their effects. This applies especially to disruption of transport and business, labour disputes, shortage of materials, the effects of fire, war or state of emergency. We are authorised to withdraw from the contract if the fulfilment of the contract is no longer reasonable for the reasons quoted. An unreasonable situation does not exist if the performance inhibiting

event caused by the reasons quoted exists but is foreseen as being of only a temporary nature. Claims for damages against us are excluded in these cases.

- 3.6.1 We are liable in the event of impossibility or delay in performance, where this is due to intent or gross negligence, including intent or gross negligence of our representatives or vicarious agents under statutory regulations. In cases of gross negligence our liability is however limited to typical and foreseeable damage.
- 3.6.2 In cases of slight negligence our liability because of impossibility of performance is limited to damages, and compensation of wasted expenditure is similarly limited to typical and foreseeable damage. Further claims of the customer because of impossibility of performance are excluded. The customer's right to withdraw from the contract remains unaffected.
- 3.6.3 Our liability because of delay in performing the service in cases of slight negligence is limited to a total of 10% for compensation together with performing the service and for compensation instead of performing the service to a total of 10% of the value of the service. Further claims of the customer because of delay in performing the service are excluded – even after the expiry of a deadline for performance. These rules also apply to the refund of wasted expenditure.
- 3.6.4 The limitations under the above § 3.6 do not apply where there is liability for wrongful death, personal injury or health impairment, or for the infringement of major contractual obligations. Under the term major contractual obligations are those, the fulfilment of which characterises the contract and on which the customer can rely. An amendment of the burden of proof to the disadvantage of the customer shall not be associated with this.

§ 4 Reservation of Self-supply

We do not accept responsibility for the procurement risk. Where, despite the conclusion of an appropriate contract of purchase, we do not receive the delivery item and/or from the view point of essential parts of the delivery item do not fully receive the latter, we are entitled to withdraw from the contract with the customer. Our responsibility for intent and negligence remain unaffected. We will inform the customer without delay of the non-availability, or the non-availability on time, of the delivery item and, if we wish to withdraw, exercise the right to do so without delay. In the event of a withdrawal, we will refund without delay any services already rendered by the customer.

§ 5 Due Date – Interest - Consequences of Delay

- 5.1 In the event of payment after expiry of the term of payment of 30 days, interest is due to be paid to us at the rate laid down in legislation.
- 5.2 For as long as the customer is in default of payment, we are not obliged to make any further deliveries, irrespective of the legal basis on which our duty of delivery is based.
- 5.3 In the event that a major deterioration should occur in the customer's financial circumstances, especially if insolvency proceedings are requested, we can demand, irrespective of the due payment date, cash or other security for deliveries still to be made before the goods are delivered,
- 5.4 Where payments by instalments and/or payments on account have been agreed between the customer and ourselves, the following also applies: in the event that the customer falls totally or partly or into arrears by one instalment or one payment on account for longer than three days, then the remaining sum still unpaid becomes immediately and totally payable in one instalment.
- 5.5 In the event that security for the payment of the purchase price is provided by a bank or another third party, and delivery of the goods cannot be made for reasons beyond our control, we are authorised to demand payment of the remaining due purchase price from the bank or another third party against presentation of proof that the goods have been put in storage. Such storage of the goods takes place at the customer's risk and expense. The date on which the goods are placed in storage by us counts as the date of delivery. All delivery and other documents which have to be handed over by us in order to obtain payment from a bank or from another third party are to be passed to us without delay by the person(s) originating these documents.

§ 6 Retention of Title

- 6.1 We retain ownership of the items to be delivered until the fulfilment of all our claims against the customer resulting from the business relationship. In the event of behaviour contrary to the contract by the customer, in particular of default of payment, we are entitled to withdraw from the contract after the fruitless expiry of a reasonable period of grace. After such a withdrawal, we have the right to demand return of the goods, to sell them elsewhere or to dispose of them in any other way.
- 6.2 The customer is obliged to treat the delivery items in a careful manner: he is especially obliged to insure these adequately at replacement value at his own cost against fire, water and loss through theft. If maintenance and inspection work is necessary, the customer must carry this out at the correct time at his own cost.
- 6.3 Despite the retention of title, the customer is entitled to further sell the delivery item in the course of normal business activity. Any claims against the supplier by the subsequent buyer from the customer's disposal of

the delivered goods are transferred to us in the sum of the final invoice amount agreed with us (including value added tax). This transfer is valid irrespective of whether the delivery item is sold on without processing or after processing. The customer remains authorised to collect the amount receivable even after the transfer. Our power to collect the receivables ourselves remains unaffected by this. We will, however, not collect the receivables as long as the customer meets his obligation to pay from the collected proceeds, if he is not in default of payment and especially if no petition for the opening of insolvency proceedings has been submitted or payments have been suspended.

- 6.4 In the event of seizures or other actions by third parties, the customer must inform us immediately and in writing so as to enable us to file a suit in accordance with § 771 ZPO (German Code of Civil Procedure). If the suit in accordance with § 771 ZPO is successful and if the legal enforcement concerning third parties to cover the legal and non-legal costs of such a suit be conducted unsuccessfully, the customer is liable to us for the default incurred by us.
- 6.5 The processing or conversion of the delivery item by the customer is always undertaken for us. In the event that the delivery item is processed together with items which do not belong to us, then we acquire co-ownership of the new item in proportion to the value of the of the delivery item (final invoice amount including value-added tax) to the other processed items at the moment the processing took place. In the event that the processing occurs in such a way that the customer's item is to be seen as the main item, then it is deemed to have been agreed that the customer transfers to us co-ownership pro-rata. The customer preserves for us the sole ownership or co-ownership so created.
- 6.7 The customer also assigns to us the claims to safeguard our claims against him, which are due to the customer against a third party by joining the delivery item to a real estate property.
- 6.8 We undertake to release, at the request of the customer, the securities due to us insofar as the realizable value of our securities exceeds the claims to be secured by more than 10%. The selection of the securities to be released is subject to our discretion.

§ 7 Liability for Defects

- 7.1 Claims for faults by the customer require that the latter has properly carried out his obligations of inspection and complaint in accordance with § 377 HGB (German Commercial Code).
- 7.2 We accept no liability for used machines.
- 7.3 Details of weight, dimensions, performance details, revenues and other data which is given in sales brochures, publicity and similar documentation are solely to be seen as a guide. The same applies to machines which have been provided as trial or demonstration machines.
- 7.4 Where there is a fault in the delivery item for which we are responsible, we have the choice of rectification by either repairing the fault or by providing a new, fault-free item. In the case of the rectification of a fault, we are obliged to bear the costs of all expenses necessary for the rectification, especially transport, travel, labour and material costs as long as these have not been increased by the requirement to take the item to be delivered to a location other than the place of performance. In the case of companies abroad, the following shall also apply: in the case of disproportionate effort and costs which would result from a rectification carried out by ourselves, we can ask the customer to carry out, or have carried out, the necessary repairs. We then have to refund to the customer the costs which occur to the customer in carrying out the necessary repairs;
- 7.5 If the rectification is unsuccessful, which is not to be assumed until, at the earliest, the second attempt at repair or rectification, then the customer has the right to choose either cancellation or a reduction in price. Unless there is something to the contrary in the following (Serials 7.6, 7.7, and 7.8), and further claims by the customer are excluded – irrespective of the legal basis. Therefore, we are not liable for damage that does not occur to the delivery item itself; in particular, we are not liable for production downtime, business interruption, the costs of any recall action, missed earnings or other financial losses to the customer.
- 7.6 We are liable under statutory provisions if the customer asserts a claim based on intention or gross negligence, including the intention or gross negligence of our employees or our vicarious agents. Where we are not charged with any further contract infringement, the compensation is, however, limited to foreseeable, typically occurring damage.
- 7.7 We are liable under statutory provisions if we culpably infringe a major contractual duty; major contractual duties are those, the fulfilment of which shapes the contract and upon which the customer can depend. In such cases however, liability for compensation is limited to foreseeable and typically-occurring damage.
- 7.8 Liability on account of culpable injury to life, limb or health remains unaffected: this also applies to statutory liability under German Product Liability Law and from inadmissible acts.

§ 8 Exclusion of Further Liability

- 8.1 Any additional liability for compensation of damages other than that detailed in the preceding conditions is excluded, irrespective of the legal nature of the claims lodged. This applies in particular to claims for damages for fault arising upon the conclusion of the contract, because of other breaches of duty or because of claims in tort for indemnification of damage to property as defined by § 823 BGB (German Civil Code). In the case of a claim for compensation pursuant to culpa in contrahendo, the exclusion of liability mentioned above is equal to a subsequent waiver of liability due to the claim which had already

existed on conclusion of the contract. Moreover, we are not liable if claims against the customer due to a breach of industrial property rights.

- 8.2 Limitation in accordance with Serial 10.1 shall also apply where the customer, in lieu of a claim to compensation for damages, demands compensation of unnecessary expenditures in lieu of performance.
- 8.3 Where liability for damages against us is excluded or limited, then the same applies with regard to personal liability for damages of our employees, staff representatives and vicarious agents.

§ 9 Period of Limitation

Customer claims against us – irrespective of the legal basis thereof – expire at the end of one year after they arise. This does not apply to §§ 438 sec. 1 No. 2 and 634a sec 1 No.2 BGB. This equally does not apply to intention or in the event of malicious concealment of a fault or where we have taken over a guarantee. For claims for compensation, this period of limitation is not valid in cases of loss of life, personal injury or damage to health or violation of liberty, with claims under the Product Liability Laws or grossly negligent breach of duty or breach of major contractual duty. Major contractual duties are those, the fulfilment of which shapes the contract and upon which the customer can depend. No change in the onus of proof to the disadvantage of the customer is associated with the preceding regulations.

§ 10 Other Provisions

- 10.1 The place of jurisdiction is 49196 Bad Laer, Federal Republic of Germany. We also have the right to file complaints at the court responsible for the customer or at any other court which is entitled to be competent under national or international law.
- 10.2 The place of performance is also 49196 Bad Laer, Federal Republic of Germany.
- 10.3 The customer declares himself to be in agreement with our storing data in accordance with the German Data Protection Law.
- 10.4 The customer is not permitted to transfer any rights of guarantee and warranty or any other rights granted to him within the scope of the contract unless we have agreed in writing to the transfer.
- 10.5 If the customer sells the products to third parties or exports them, he undertakes to observe at all times the import and export regulations for this type of sale.
- 10.6 The law of the Federal Republic of Germany applies with the exception of the reference provisions of German International Private Law and the UN Sales Convention.