

SN Maschinenbau GmbH

Wipperfürth, Germany

General Terms and Conditions of Sale

These General Terms and Conditions of Sale apply exclusively to national and international business transactions with merchants, legal entities under public law and corporations under public law.

1. Scope of application

- 1.1 These General Terms and Conditions of Sale (hereinafter referred to as 'Terms of Sale') apply to all deliveries from SN Maschinenbau to the Customer, even if they are not expressly referred to in later contracts.
- 1.2 Customer's terms and conditions which conflict with, supplement or deviate from these Terms of Sale shall not become part of the contract unless SN Maschinenbau has expressly agreed to their application in writing. These Terms of Sale apply even if SN Maschinenbau provides a delivery to the Customer without reservations while aware of the Customer's contradicting or conflicting terms and conditions.
- 1.3 Any agreements that are additional to or deviating from these Terms of Sale concluded between SN Maschinenbau and the Customer for the performance of a contract must be made in writing.
- 1.4 Any rights or claims of SN Maschinenbau under statutory law that go beyond these Terms of Sale shall remain unaffected hereby.

2. Conclusion of contract

- 2.1 SN Maschinenbau's offers and cost estimates are subject to change without notice and are non-binding insofar as they have not been expressly designated as a binding offer.
- 2.2 Images, drawings, weight and measurement specifications as well as other descriptions of the delivery or service from the documents belonging to the offer are only approximate unless they are expressly designated as binding by written or electronic commitment. They do not represent any agreement or guarantee of a corresponding quality of the delivery or service. In the event that the stipulated quality of the delivery or service has been bindingly agreed with the Customer, SN Maschinenbau shall still be permitted to make changes insofar as these are made due to mandatory statutory regulations and are acceptable for the Customer. SN Maschinenbau reserves the right to make changes to the design and shape of the goods if the changes are not significant and are acceptable for the Customer. In the event that the changes are not acceptable, the Customer shall be entitled to rescind the contract. Any further claims shall be excluded.
- 2.3 The owed quality of the goods is bindingly agreed in the order and order confirmation.
- 2.4 An order only becomes binding once it has been confirmed by SN Maschinenbau in writing. An order confirmation created with the help of automatic devices that lacks a signature and a name is nonetheless considered to be in written form. The silence of SN Maschinenbau regarding offers, orders, requests or other declarations of the Customer shall only be deemed to constitute consent if this has been expressly agreed in writing. Should an order confirmation contain obvious mistakes, spelling or calculation errors, it shall not be binding for SN Maschinenbau.

3. Delivery; delivery periods; default

- 3.1 Insofar as not otherwise expressly agreed, deliveries shall be made EXW Wipperfürth (Incoterms 2010). At the Customer's request and expense, the goods shall be shipped to another destination (hereinafter 'sales shipment'), in which case SN Maschinenbau shall be entitled to determine the type of shipment itself. At the

Customer's request – and expense –, the goods shall be insured against the risks to be designated by the Customer by means of transport insurance.

- 3.2 The scope of the delivery shall be determined by SN Maschinenbau's written order confirmation. Any changes to the scope of delivery or the goods to be delivered desired by the Customer shall require the written confirmation of SN Maschinenbau to be effective.
- 3.3 SN Maschinenbau is entitled to make partial deliveries if this is reasonable for the Customer.
- 3.4 Delivery periods must be agreed in writing. Delivery periods shall be non-binding unless they are expressly designated as binding.
- 3.5 A delivery period begins with the dispatch of the order confirmation by SN Maschinenbau, but not before the complete provision of any documents, approvals and releases to be procured by the Customer, the receipt of an agreed down payment and the Customer's timely and proper fulfilment of any other acts of cooperation.
- 3.6 Agreed delivery periods shall be deemed to have been complied with if SN Maschinenbau makes the goods available at the agreed place of delivery before the delivery periods have elapsed or – in the case of a sales shipment pursuant to Section 3.1 Sentence 2 – hands them over to the person designated to carry out the transport or if the Customer announces that he will refuse to accept the goods. Delivery shall be made subject to the reservation that SN Maschinenbau's own suppliers make timely and proper delivery.
- 3.7 If non-compliance with the delivery periods is due to force majeure or other disruptions for which SN Maschinenbau is not responsible, e.g. war, terrorist attacks and import and export restrictions, including those affecting SN Maschinenbau's suppliers, the agreed delivery periods shall be extended by the duration of the hindrance. The same shall apply in the event of industrial action affecting SN Maschinenbau or its suppliers.
- 3.8 The Customer may only withdraw from the contract on the grounds of delayed delivery by SN Maschinenbau if the respective legal requirements are met and if SN Maschinenbau is responsible for the delay.
- 3.9 If the Customer has concluded a framework agreement with SN Maschinenbau with a fixed term regarding future deliveries and the Customer does not retrieve the goods in time, SN Maschinenbau is entitled, after the expiration of a reasonable grace period, to deliver and invoice the goods, to withdraw from the contract or, if the Customer has acted culpably, to claim damages in lieu of performance.
- 3.10 Insofar as the goods have been handed over to the Customer on EUR-pallets or lattice boxes (load carriers), the Customer shall return the same number, type and quality of load carriers to SN Maschinenbau at the place of the original handover.
- 3.11 Without prejudice to the provision in Clause 7.1, the Customer shall inspect the delivered goods for visible external damage, notify the forwarding agent of such damage and request it to provide appropriate written confirmation. If the Customer fails to comply with this obligation, he undertakes to compensate SN Maschinenbau for any resulting damages.

4. Transfer of risk

- 4.1. The risk of accidental loss or deterioration of the goods shall pass to the Customer as soon as SN Maschinenbau makes the goods available at the place of delivery in accordance with Section 3.1 Sentence 1 or – in the case of a sales shipment pursuant to Section 3.1 Sentence 2 – hands them over to the person designated to carry out the transport. This shall also apply if partial deliveries are made or if SN Maschinenbau has

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assumed the transport costs in individual cases in derogation from Section 3.1 Sentence 2.

- 4.2. If the Customer is in default of acceptance, SN Maschinenbau can demand compensation for the resulting damage as follows: 1.0% of the net price of the delivery per completed week of default of acceptance, but not more than a total of 5% of the net price of the delivery. The Parties reserve the right to assert further claims for damages as well as to provide evidence that only a smaller loss was incurred. The risk of accidental loss or deterioration of the goods shall be transferred to the Customer at the time of his default on acceptance. Upon default of acceptance, the goods shall be deemed to have been delivered, in particular with regard to the warranty periods and the payment obligation.
- 4.3. Irrespective of his claims for defects, the Customer shall accept delivered goods even if they show insignificant defects. The Customer shall also be obliged to accept delivery in the event of quantity variances up to 5% or delivery slightly ahead of time of the goods made available.

5. Prices

- 5.1. The agreed price is in EUR and results from the order confirmation, plus value-added tax. The statutory value-added tax is not included in the price and is shown separately on the invoice at the statutory rate applicable on the date of invoicing.
- 5.2. If the Customer does not receive an order confirmation or if this does not contain any price information, the price list valid at the time of delivery shall apply.
- 5.3. If more than four months elapse between order confirmation and delivery and if price increases occur during this period, in particular due to wage increases, increases in raw material costs, general price increases due to inflation or comparable circumstances, SN Maschinenbau shall be entitled to charge a correspondingly higher price. This shall also apply in the event of a material change by at least 10% in the order confirmation after SN Maschinenbau's submission of an offer or, if SN Maschinenbau has concluded a framework agreement with a fixed price agreement, in the raw material prices of the respective goods concerned or other essential cost factors such as, in particular, energy, wage, transport or insurance costs; in this case, SN Maschinenbau shall be entitled to a reasonable increase in the prices to the extent that these are affected by the cost increase. In this context, SN Maschinenbau shall take into account the legitimate interests of the Customer, in particular with regard to any obligations already entered into by the Customer to make delivery of the goods to his own customers at a certain price. SN Maschinenbau shall provide evidence of the price-changing factors to the Customer upon request.
- 5.4. In derogation from Section 195 of the German Civil Code (BGB), claims of SN Maschinenbau for payment of the purchase price shall become time-barred in five years.

6. Payment terms

- 6.1. Unless otherwise agreed in writing, all payments must be made within 30 days after the invoice date – but not before delivery – without any deduction.
- 6.2. A payment shall be deemed to have been made once SN Maschinenbau can freely dispose of the amount.
- 6.3. In case the payment deadline is not met by the Customer, SN Maschinenbau is entitled to demand default interest in the amount of 9 percentage points above the base lending rate (Section 247 BGB). SN Maschinenbau reserves the right to claim further damages.

- 6.4. If the Customer is in default of payment, SN Maschinenbau shall be entitled to demand immediate payment for all claims arising from the business relationship, even if these are not yet due.
- 6.5. The Customer is entitled to offset rights and assert a right of retention only if his counterclaims are legally ascertained or undisputed. Furthermore, the Customer may only exercise a right of retention if the counterclaim arises from the same contractual relationship.
- 6.6. SN Maschinenbau shall be authorised to carry out deliveries or render services which are still outstanding only upon advance payment or provision of security if circumstances become known after conclusion of the contract which are suitable to substantially reduce the Customer's creditworthiness and which endanger the payment of the outstanding claims due to SN Maschinenbau by the Customer from the respective contract relationship. This shall apply accordingly if the Customer refuses or fails to pay outstanding claims to SN Maschinenbau in the absence of undisputed objections or objections established by a final court decision against the claims of SN Maschinenbau.

7. Statutory warranty

- 7.1. The Customer's rights in the case of defective goods are subject to the statutory inspection and notification requirements (Sections 377 and 381 of the German Commercial Code [HGB]) having been met; in particular, the supplied goods must be inspected without undue delay upon delivery and written notification of obvious defects and defects revealed by such an inspection must be sent to SN Maschinenbau without undue delay. The Customer shall notify SN Maschinenbau of hidden defects in writing without undue delay after their discovery. A notification shall be deemed to have been made without undue delay in the meaning of sentence 1 if it has been made within 2 working days, whereby the date of SN Maschinenbau's receipt of the notification is authoritative for compliance with the deadline. If the Customer fails to inspect the goods and/or notify SN Maschinenbau of any defects, SN Maschinenbau shall be exempted from liability for the defect. The Customer shall describe the defects in his written notification to SN Maschinenbau.
- 7.2. If a Customer complaint about a defect is unjustified, SN Maschinenbau is entitled to demand compensation for any expenses incurred for reviewing the defect from the Customer unless the Customer furnishes proof that no fault can be attributed to the Customer for the unjustified complaint of a defect.
- 7.3. Claims for subsequent performance are excluded in the case of minor deviations which are reasonable for the Customer.
- 7.4. In the event of defective goods, SN Maschinenbau shall be entitled, at its own discretion, to subsequent performance through remedy of the defect or delivery of goods free of defects.
- 7.5. If the goods are not at the place of delivery, the Customer shall bear all additional costs incurred by SN Maschinenbau in remedying defects, unless the transfer to another place corresponds to the contractual purpose.
- 7.6. No rights from defects exist in the case of
 - natural wear and tear
 - defects arising after the transfer of risk as a result of improper handling (e.g. deviating from the operating instructions), improper storage or care or excessive strain or use;
 - defects caused by force majeure, special external influences which are not assumed under the contract or the use of the goods outside the contractually intended or normal use.

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- 7.7. SN Maschinenbau shall not be liable for defects which are caused by the fact that the Customer demands a processing or choice of material which deviates from SN Maschinenbau's specifications.
- 8. Liability**
- 8.1 SN Maschinenbau shall be liable without limitations for damages – on whatever legal basis – resulting from breach of a guarantee or injury to life, limb or health. The same applies to damage caused by wilful conduct or gross negligence by its legal representatives or its executives. Liability for simple vicarious agents (Section 278 BGB) is excluded to the extent permitted by law.
- 8.2 Without affecting Section 8.1 SN Maschinenbau shall only be liable for slight negligence if it is in breach of cardinal contractual obligations. Cardinal contractual obligations are obligations which enable the proper performance of the contract in the first place and on the performance of which the contracting party usually relies and is expected to rely.
- 8.3 Without affecting Section 8.1, SN Maschinenbau's liability for damages incurred by the Customer as a result of delay of delivery shall be limited to a maximum of 5% of the agreed net price. The Parties reserve the right to assert further claims for damages as well as to prove that only a smaller loss was incurred.
- 9. Period of limitation**
- The limitation period for claims for defects asserted by the Customer is 12 months commencing on the date on which the goods are delivered. If the Customer is in default of acceptance regarding the acceptance of the goods, the limitation period shall begin at the latest with the occurrence of the default of acceptance. The period of limitation shall also apply to claims arising from the law of torts based on a defect of the goods. Subsequent performance shall not cause the period of limitation to begin again. In the cases of Section 8.1, the statutory limitation period shall apply.
- 10. Retention of title**
- 10.1 The delivered goods shall remain the property of SN Maschinenbau until they have been paid for in full.
- 10.2 In addition, SN Maschinenbau shall remain the owner of the delivered goods until any and all claims arising from the business relationship between the Customer and SN Maschinenbau have been paid in full.
- 10.3 The Customer is obliged to treat the goods sold subject to retention of title (hereinafter also referred to as 'goods subject to retention of title') with due care for the duration of the retention of title. In particular, he shall be obliged to adequately insure the goods at replacement value at his own expense against damage caused by fire, water and theft. The Customer hereby assigns to SN Maschinenbau all indemnification claims under this insurance policy. SN Maschinenbau hereby accepts the assignment. If assignment is not admissible, the Customer hereby irrevocably instructs his insurer to make any payments to SN Maschinenbau only. Further claims by SN Maschinenbau shall remain unaffected. Upon request, the Customer shall provide evidence to SN Maschinenbau that the insurance policy has been taken out.
- 10.4 If the goods subject to retention of title are combined with other items not belonging to SN Maschinenbau to form a single item, SN Maschinenbau shall acquire co-ownership of the single item in the ratio of the value of the goods subject to retention of title (final invoice amount including value-added tax) to the other items at the time of the combination. If the goods subject to retention of title are combined in such a manner that the Customer's goods must be considered to be the main goods, the Customer shall hereby assign proportional co-ownership to SN Maschinenbau. SN Maschinenbau accepts this assignment. The provisions of this Section 10.4 shall apply accordingly if the goods subject to retention of title are mixed or processed with other items.
- 10.5 The Customer is entitled – subject to revocation – to sell the goods subject to retention of title in the ordinary course of business. The Customer is not entitled to pledge the goods subject to retention of title, to assign them as security or to make other dispositions endangering the property of SN Maschinenbau. In the event of seizures or other interventions by third parties, the Customer must inform SN Maschinenbau without undue delay in writing and provide all necessary information, inform the third party of SN Maschinenbau's ownership rights and cooperate in SN Maschinenbau's measures to protect the goods subject to retention of title.
- 10.6 The Customer shall hereby assign to SN Maschinenbau all receivables from the sale of the goods subject to retention of title in the amount stated on the invoice, including value-added tax, as well as all ancillary rights. SN Maschinenbau hereby accepts this assignment. If the goods subject to retention of title are sold together with other goods not supplied by SN Maschinenbau, receivables resulting from the sale of the goods shall be assigned to SN Maschinenbau in the value of the goods subject to retention of title (gross invoiced amount including value-added tax). If assignment is not admissible, the Customer hereby irrevocably instructs the third-party debtor to make any payments to SN Maschinenbau only.
- 10.7 SN Maschinenbau authorises the Customer – subject to revocation – to collect the receivables assigned to SN Maschinenbau as a trustee in his own name. The right of SN Maschinenbau to collect these receivables itself shall not be affected thereby. However, SN Maschinenbau shall not assert claims for receivables itself or revoke the authorisation for as long as the Customer meets his payment obligations. Should the Customer breach the contract – in particular by defaulting on payment obligations – he must provide SN Maschinenbau with information about the assigned receivables and debtors, notify the respective debtors of the assignment of the receivables and hand over to SN Maschinenbau all documents and information necessary for SN Maschinenbau to assert the claims.
- 10.8 SN Maschinenbau may revoke the Customer's right to resell the goods as well as the collection authorisation if the Customer does not duly fulfil his obligations towards SN Maschinenbau, is in default of payment, ceases payments or if insolvency proceedings are applied for against the assets of the Customer.
- 10.9 At the request of the Customer, SN Maschinenbau is obliged to release existing securities to the extent that the recoverable value of the securities exceeds SN Maschinenbau's claims arising from the business relationship with the Customer by more than 10%, taking into account customary bank valuation discounts. The selection of securities to be released is incumbent on SN Maschinenbau.
- 10.10 In the case of deliveries of goods to other jurisdictions in which the retention of title under the present Section 10 is not legally effective, the Customer hereby grants SN Maschinenbau a corresponding security interest. Insofar as further measures are necessary for this, the Customer shall undertake everything necessary to grant SN Maschinenbau such a security interest without undue delay. The Customer shall cooperate in all measures which are necessary and conducive to the effectiveness and enforceability of such security interests.

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11. Withdrawal

- 11.1 Where the Customer acts contrary to the terms of the contract, in particular in case of default on payment, SN Maschinenbau shall be entitled, without prejudice to other contractual and statutory rights, to withdraw from the contract after expiry of a reasonable grace period.
- 11.2 The Customer must grant SN Maschinenbau or its representatives access to the items subject to retention of title without delay after declaration of withdrawal and return them. After an according timely notification, SN Maschinenbau may otherwise dispose of the goods subject to retention of title in order to satisfy the outstanding claims against the Customer. The proceeds from the sale shall be set off against the Customer's liabilities minus reasonable selling costs.
- 11.3 No statutory rights and claims shall be restricted by the provisions contained in the present Section 11.

12. Confidentiality

- 12.1 The Customer is obliged to keep confidential for an indefinite period all information which becomes accessible to him via SN Maschinenbau and which is designated by SN Maschinenbau as confidential or which, under the given circumstances, is recognisable as business or trade secrets, and to neither record nor transmit or exploit it.
- 12.2 The Customer shall ensure by way of suitable contractual agreements with the employees and authorised persons working for the Customer, that such persons shall also refrain from any exploitation, transmission or unauthorised recording of such business or trade secrets for an indefinite period of time.
- 12.3 SN Maschinenbau reserves all rights, in particular right of ownership and copyright, to any documents, images, drawings, specifications, samples, etc. made available to the Customer. The Customer may use these exclusively within the scope of the contractually intended purpose. They are to be treated as strictly confidential and access thereto may not be given to third parties without the prior written declaration of agreement of SN Maschinenbau.

13. Applicable law; place of jurisdiction

- 13.1 The contractual relationship between the Customer and SN Maschinenbau is governed by the substantive law of the Federal Republic of Germany, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 13.2 (1) All disputes arising from or associated with the Parties' contract or its validity shall be finally settled in accordance with the Arbitration Rules of the Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS) without recourse to the ordinary courts of law.
(2) The arbitral tribunal shall be comprised of three arbitrators.
(3) The place of arbitration is Cologne, Germany.
(4) The language of the proceedings shall be German.
(5) The law applicable hereto shall be German law.

14. Miscellaneous

- 14.1 The transfer of rights and obligations of the Customer to third parties is only possible with the written consent of SN Maschinenbau.
- 14.2 The place of performance for all performances by the Customer and SN Maschinenbau shall be the registered office of SN Maschinenbau.