
Sales and Delivery Conditions of Stelzer Rührtechnik International GmbH

§ 1 Scope of Contract

- 1.1 These Sales and Delivery Conditions shall govern any and all current or future quotations, offers, contractual relations and deliveries and other performances between Stelzer Rührtechnik International GmbH (“Supplier”) and the “Buyer”. Differing conditions of the Buyer, which are not accepted explicitly in writing or in textual form, are not binding, even if the Supplier executes a contract without contradicting such conditions expressly. If these Standard Sales Terms are otherwise inapplicable or ineffective for any reason whatsoever, the sale of any goods delivered by the Supplier to the Buyer (the “Goods”) shall be subject to the reservations of § 7 hereinbelow.
- 1.2 These Sales and Delivery Conditions are only applicable vis-à-vis entrepreneurs, legal persons under public law or special funds under public law in the meaning of § 310 para. 1 German Civil Code (“BGB”).
- 1.3 The invalidity of individual provisions of these Sales and Delivery Conditions shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by the provision customary in the industry for any such case and, in the absence of a permissible provision customary in the industry, by the corresponding provision of statutory law.

§ 2 Offer and Placing of an Order

- 2.1 Quotations of the Supplier are always non-binding and subject to confirmation. The contract comes into effect only if the Supplier confirms his acceptance of the order in writing or in textual form or if the delivery is carried out. For the extent of the delivery the written or textual confirmation of the order is decisive. All contractual terms are to be laid down in writing or in textual form; this applies also to supplements, alterations and sub-agreements.
- 2.2 The right to correct errors of offers, of confirmations of orders, and of invoices is reserved.
- 2.3 The purchase and sales contract concluded between the Supplier and the Buyer including these Sales and Delivery Conditions exclusively governs the relationship between the Supplier and the Buyer and reflects all agreements between the parties with regard to the subject matter of the contract. Any oral statements of the Supplier made prior to the conclusion of the contract in written or textual form do not have any binding effect and oral agreements between the parties are replaced and overruled by the contract later concluded between the parties in written or textual form, unless it is explicitly stated that they shall continue to be in force.
- 2.4 Employees of the Supplier – except managing directors and proxy holders (“*Prokuristen*”) are not authorized to verbally agree on any provisions deviating from these Sales and Delivery Conditions.
- 2.5 A written form requirement contractually agreed upon is duly observed in case of a transmission by fax; any other form of transmission by any means of telecommunication, in particular email, is not sufficient.
- 2.6 Written notices of the Supplier shall be deemed to have been received by the Buyer after the normal transit time of the mail if they have been dispatched to the postal address, fax-number

or Email-address of the Buyer known to the Supplier last and if the Supplier can deliver proof of that fact. This shall not apply to declarations of material importance, in particular declarations of termination, revocations or the granting of periods of grace.

§ 3 Price Terms

- 3.1 The prices are deemed ex works (EXW pursuant to INCOTERMS in the current version as amended from time to time) and do not include the loading, packaging and unloading as well as VAT and other taxes and/or tariffs, unless otherwise agreed upon.
- 3.2 If the prices agreed upon are based on any price list of the Supplier and if the delivery shall be executed after more than four months after the conclusion of the contract, the prices according to the price list which is valid in the moment of the delivery shall apply.
- 3.3 In addition the Supplier reserves the right to adequately increase the purchase price in case that the circumstances given at the moment of the conclusion of the contract and decisive for the determination of the purchase price, in particular costs for material, wages, transport and public taxes and duties have changed to a non-negligible extent.

§ 4 Conditions of Payment, Default, Set-Off

- 4.1 Unless otherwise agreed upon by the parties in written or in textual form, all invoices are immediately payable without deductions at the date of issuance (due date). The costs of payment transactions shall be borne by the Buyer. As of the 30^{est} day after the due date the Supplier shall charge default interest in the statutory amount for entrepreneurial business transactions pursuant to § 288 para. 2 German Civil Code (“BGB”). The Supplier reserves the right to prove additional damages in interest.
- 4.2 The right of the Buyer to determine which claims of the Buyer shall be settled by payment is replaced by the statutory rule of terms of amortization of § 367 para. 1 BGB.
- 4.3 In case the Buyer is in default with partial payments in an amount of at least 10 % of the purchase price, the Supplier has the right to accelerate the maturity of the entire outstanding amount with immediate effect.
- 4.4 In case the Buyer is in default of payment obligations, the Supplier can withdraw from the contract and claim damages instead of the performance (“*Schadenersatz statt der Leistung*”) after the fruitless expiry of an appropriate period of grace. In the event of the Buyer’s delay in performance caused by a significant deterioration of his financial situation, the Supplier may, in deviation from the preceding sentence, withdraw from the contract without setting a grace period and claim damages instead of performance.
- 4.5 The Buyer may only set-off claims which are undisputed or which have been established by a court with legally binding effect or such claims which are in a contractual relationship of reciprocity with the Supplier's claim and/or if the Buyer’s claim would entitle the Buyer to refuse the fulfilment of his contractual obligations under § 320 BGB. The Buyer may only invoke a right of retention if his counterclaim derives from the same contractual relationship.

§ 5 Delivery and Time of Delivery

- 5.1 Deviations in quality, design, and color, which are customary in the trade and usual with respect to the material, are reserved. Changes by the Supplier in construction and form, which are not customary in the trade, are also legitimate, unless the change or deviation in the specific case is unreasonable for the Buyer. All information, pictures, drafts, models, prospects, technical data and catalogues or other technical data as given in the Supplier’s prospects, cata-

logues, advertisements and price lists of the Supplier or in the information attached to an offer are non-binding. They are only supposed to give a mere description and are only intended to give an adequate idea of the Goods described therein. The afore-said information will only become part of the contract, if and insofar as expressly confirmed by the Supplier in writing or in textual form as binding.

- 5.2 Delivery dates or terms of delivery announced by the Supplier are only of approximate nature unless a fix date or term has been expressly confirmed or agreed upon. In case they are supposed to be binding, this has also to be agreed upon in writing or in textual form. The Supplier is only obliged to observe the delivery date if all commercial and technical issues have been clarified by the parties and that the Buyer has duly complied with all his contractual obligations, such as obtaining any necessary official permits or approvals or the performance of an advance payment. If this is not the case, the delivery date is adequately prolonged. The moment in which the Goods are handed over to the carrier or loaded onto a vehicle of the Supplier or - in cases, in which the dispatch or the delivery of the Goods is delayed due to circumstances within the responsibility of the Buyer - the time of readiness for transport shall be decisive for the punctual delivery. If any acceptance has to be performed the due date for the acceptance shall be decisive, unless the Buyer justifiably rejects that acceptance, alternatively the Supplier's notification of readiness for acceptance. In case of later changes in the contract due to an initiative of the Buyer, which have an influence on the delivery time, the term of delivery is prolonged to an appropriate extent.
- 5.3 The Supplier's duty to deliver is always subject to a correct and timely delivery of the Supplier by its sub-suppliers, unless the Supplier intentionally or negligently causes the incorrect or untimely by its sub-suppliers.
- 5.4 In case the dispatch or the acceptance of a Good is delayed because of reasons for which the Buyer is responsible, he will be charged the costs which are caused by that delay after the expiry of one month after the notification of the readiness for dispatch or acceptance and in the event of the storage of the Goods on the Supplier's premises equal to at least 0.5% of the invoice amount for each commenced calendar month, unless the Buyer provides evidence of lower costs. In such case and after the setting and the fruitless expiry of a reasonable deadline the Supplier shall also be entitled to otherwise dispose of the Good and to supply the Buyer within a reasonably extended period. Moreover, the Supplier's right of rescission in such cases shall be governed by the provisions of statutory law.
- 5.5 The Supplier is entitled to partial delivery and partial performance if (i) the partial delivery can be utilized by the Buyer in accordance with the contractual purpose (ii) the delivery of the remaining Goods is ensured and (iii) no significant additional expenses or extra costs are triggered for the Buyer (unless the Supplier agrees to take over such costs).
- 5.6 The Supplier shall not be liable for disturbances in the business operations of the Supplier, especially the absence of managerial personnel due to illness, as well as for strikes, lockouts, lack of workers and employees - also on the part of furnishers and manufacturing companies of the Supplier – for the lack of dispatching possibilities and difficulties in the acquisition of raw material as well as for cases of force majeure. In such a case, the terms of delivery shall be extended according to the duration of the impairment of performance caused by the respective circumstances. The Supplier is obliged to inform the other party of the beginning and the envisaged and actual end of such impediments as described above as soon as possible.
- 5.7 The Supplier is not liable for the impediments as described in § 5.6 above even if they come into existence during a preexisting delay in performance.
- 5.8 The Supplier shall be entitled to withdraw from the contract if – without any possibility of interference from the side of the Supplier – essential circumstances for the further performance of the contract have materialized after conclusion of the contract in such a way that performance becomes impossible or unreasonably difficult for the Supplier (e.g. non-delivery by the

sub-supplier for which the Supplier is not responsible or the possibility of delivery only under considerably more difficult conditions).

- 5.9 If the delivery is not performed in due time, the Buyer has to set a grace period, which has to run for at least fourteen working days. Any and all reminders and notices regarding the setting of periods by the Buyer require written form in order to be valid. If the grace period set by the Buyer expires fruitlessly without notification that the Goods are ready for dispatch, the Buyer is entitled to withdraw from the contract or to terminate the contract in any other way, if the Buyer has threatened the Supplier in written or textual form to draw such consequences of a fruitless expiry of the set time period simultaneously with the setting of the period. The Supplier's extended liability pursuant to § 287 BGB shall be excluded. If the Supplier is in default with his delivery or performance or in case a delivery or performance becomes impossible – irrespective of the reason – the liability of the Supplier is limited in accordance with the provision of § 13 of these Sales and Delivery Conditions.
- 5.10 The Supplier selects the shipping route and means of dispatch as well as the forwarding agent and carrier at his own discretion.
- 5.11 If the transport on the envisaged route or to the envisaged place within the envisaged time becomes impossible or significantly impeded without any fault of the Supplier, the Supplier shall be entitled to deliver by another route or to another place; any additional costs resulting therefrom shall be borne by the Buyer. The Buyer shall be given in advance the opportunity to provide his comments.
- 5.12 Unless expressly agreed otherwise, all Incoterms made reference to by the Supplier shall refer to the INCOTERMS 2010 as published by the International Chamber of Commerce (ICC).

§ 6 Passing of risk

- 6.1 Unless otherwise agreed by the parties in writing or in textual form, the risk in the Goods passes to the Buyer in the moment in which the Goods are handed over to the carrier or loaded into a vehicle of the Supplier, at the latest, however, at the moment in which the Goods leave the factory or the warehouse. This also applies, if partial deliveries are performed or if the Supplier has assumed other obligations, such as bearing the costs of transport or transport itself. If any acceptance has to be performed that acceptance shall be decisive for the passing of risk. The acceptance has to be performed immediately at the due date or, alternatively, after the Supplier's notification of readiness for acceptance. The Buyer may not reject the acceptance in the presence of only an insignificant defect.
- 6.2 In case the dispatch is delayed upon demand of the Buyer or in case the Buyer intentionally or negligently causes the delay of the collection of the Goods himself, the passing of the risk occurs when the notice of readiness for the dispatch or of readiness for collection is given.
- 6.3 If notice has been duly given according to the contract that the Goods are ready for dispatch, demand for delivery has to be made immediately. Otherwise the Supplier is entitled – after a respective reminder – to dispatch the Goods according to his discretion, while the Buyer has to bear costs of transport and risk of loss. The Supplier can also keep the Goods at his discretion and charge the Buyer immediately.
- 6.4 If any damage occurs during transport, the Buyer has to arrange for a statement of facts at the responsible authorities and to inform the Supplier in writing without undue delay.
- 6.5 The Buyer has to accept Goods notwithstanding his rights pursuant to § 12 of these Sales and Delivery Conditions, even if the Goods show merely insignificant defects.

§ 7 Retention of Title

- 7.1 The Supplier retains the title in the respective Good until complete satisfaction of any and all claims arising from the business relation with the Buyer, including future claims arising from contracts entered into with the Buyer simultaneously or in the future.
- 7.2 The Buyer always undertakes an eventual handling or processing of the Goods in which the title has been retained for and on behalf of the Supplier as the producer under § 950 BGB, without any obligations resulting herefrom for the Supplier. The handled or processed Goods are deemed to be reserved Goods as specified in § 7.1 of these Sales and Delivery Conditions. If these Goods are processed, joined or mixed with other objects in which the Supplier has no title, the Supplier acquires the title in the new object in the proportion the invoiced value of the Goods the title to which has been retained bears to the invoiced value of the other goods used at the time of the combination. If the Supplier's Goods are joined, combined or mixed with other moveable assets to make one single object in a way that they cannot be separated, and if the other part is considered as the main part, the Buyer already now transfers the co-ownership to the Supplier, insofar as the new object and main part belongs to the Buyer, storing it for the Supplier free of charge. The rights of co-ownership of the Supplier are deemed to be the Good the title in which is retained in the meaning of § 7.1 of these Sales and Delivery Conditions.
- 7.3 The Buyer is entitled to dispose of the retained Goods only in the ordinary course of business, as long as he fulfils his obligations arising out of his business relation with the Supplier in due time. However, he may neither pledge the Goods the title in which has been retained nor transfer them by way of security. He is obliged to guarantee the rights of the Supplier in case the Goods, which are subject to the retention of title, are resold on credit.
- 7.4 If the Buyer has been in default of payment for a period of more than 30 days with an amount of at least 10% of the purchase price, the Supplier may, at the Buyer's expense and subject to the setting of a reasonable period of grace, take back the Goods which are subject to the retention of title until payment of the outstanding amount in order to secure his claims, to the extent that this is reasonable for the Buyer, e.g. in the case that the Goods are merely stored and have not yet been sold and are not subject to any current use. The provision in § 5.4 sentence 1 shall apply mutatis mutandis with regard to the costs for the storage of the Goods subject to retention of title at the Supplier's premises. The repossession shall not be construed as a declaration of withdrawal from the contract by the Supplier; insofar the parties deviate from § 449 para. 2 BGB which shall not apply. A right of retention of the Buyer is excluded in such case.
- 7.5 The Buyer holds the title of ownership or co-ownership for the Supplier. Apart from that, the rules with regard to the Goods to which the title has been retained apply also to the Goods deriving from the manufacturing, joining or mixing processes.
- 7.6 The Buyer hereby assigns to the Supplier for the latter's security all current and future claims and rights arising from the sale of goods with regard to which the Supplier holds any property rights. They shall secure the Supplier to the same extent as the retained Goods. The Supplier herewith accepts this assignment. If the Buyer sells the retained Goods together with other goods not sold by the Supplier, the claim arising from their sale shall be assigned in the proportion of the invoiced value of the other goods sold. As far as the sale of Goods is concerned with respect to which the Supplier has a co-ownership pursuant to § 7.2 of these Sales and Delivery Conditions, the Buyer assigns an appropriate portion of such co-ownership to the Supplier.
- 7.7 The Buyer is not entitled to assign these claims, including the sale of accounts receivable to factoring banks without prior consent by the Supplier in writing or in textual form; § 354a HGB remains untouched. In case of a sale of accounts receivable to a factoring bank without recourse (true factoring) the Supplier give his consent only under the condition precedent of the Buyer immediately transferring the payment made to him by the factoring bank to the Supplier.

- 7.8 The Buyer has the right to collect the assigned claims only as long as he complies with his contractual payment obligation vis-à-vis the Supplier. Furthermore, the direct debit authorization can be revoked explicitly by the Supplier, if
- the Buyer does not honor a bill when it is due or
 - the conditions of the right to refuse performance of the Supplier pursuant to § 9.1 of these Sales and Delivery Conditions are met.

If the right of re-sale expires the Buyer is obliged, at the request of the supplier, to provide the Supplier with information about the stock of the reserved Goods and the goods owned or co-owned by the Supplier in accordance with § 7.2 and to surrender the reserved Goods at the request of the Supplier; insofar the parties deviate from § 449 para. 2 BGB which shall not apply.

- 7.9 With regard to the collection of these claims, the Buyer is considered as the trustee of the Supplier with the explicit obligation to transfer to the Supplier any and all proceeds, minus his profit.
- 7.10 Upon demand of the Supplier the Buyer is obliged to notify his purchasers immediately of the transfer of title to the Supplier and to hand over all information and documents to the Supplier which are necessary for collecting the claims. In case of payment arrears, the Buyer shall immediately identify those purchasers to whom he has sold the Goods to which the title has been retained, unless they have already been entirely paid for.
- 7.11 The Buyer will inform the Supplier immediately of any and all threatening or already materialized seizures, in particular actions of execution of a third party with regard to the Goods to which the title has been retained or with regard to the claims assigned to the Supplier or with regard to other securities of the Supplier. The Buyer will disclose the Supplier's title in the Goods or claim and is to hand over to the Supplier any and all documents necessary for an intervention. This applies also to impairments of other kinds. The costs for the aforesaid are borne by the Buyer
- 7.12 The Supplier assumes the obligation upon the Buyer's request to release the securities if and insofar the realizable value of the securities available exceeds the aggregate of the secured debts due by more than 10 % or exceeds their nominal value by more than 50 %; the choice of the securities to be released remains with the Supplier.
- 7.13 In case the Buyer intends to ship the Goods abroad, he is obliged to immediately give notice of this intention to the Supplier in writing and, upon the request of the Supplier, to provide a security to the Supplier having the closest possible resemblance with and similar effects as the aforementioned retention of title under the laws of the country of destination of the Goods. The Buyer to perform all respective necessary actions and declarations without undue delay at his own expense.
- 7.14 If the retention of title requires entry in a public register or other cooperation on the part of the Buyer to become effective the Buyer hereby irrevocably agrees to such registration and undertakes to perform all respective necessary actions and declarations without undue delay at his own expense.

§ 8 Obligation of Inspection and Notification

- 8.1 The warranty rights of the Buyer are subject to an observation of the duties of the Buyer deriving from § 377 German Commercial Code ("HGB") and of the following provisions regarding the inspection of the Goods and the notification of the Supplier.
- 8.2 Notifications regarding obvious defects, which are not performed immediately, however at the latest within four working days after the receipt of the Goods in writing and under exact description of such defect, will not be taken into consideration by the Supplier. Defects, which are not obvious and cannot be discovered in spite of fulfilling the obligations deriving from

§ 377 HGB must be notified immediately after they have become apparent, however at the latest four working days after they have become apparent in writing and under exact description of such defect; any further processing or handling of the Goods must be stopped immediately. In case of non-observation of this § 8.2 all the warranty rights of the Buyer will expire.

- 8.3 The Goods which allegedly are defect are to be maintained in a condition in which they are at the moment of the discovery of the defect and are to be held ready for examination by the Supplier. The Supplier is entitled to examine the Goods where they are located. Upon request, the rejected Goods or a sample thereof shall be made available to the Supplier at the Supplier's expense.

§ 9 Insufficient Capacity of the Buyer

If after entering into a contract the Supplier recognizes, that his claim for payment is endangered due to the insufficient capacity of performance of the Buyer the Supplier is entitled to exercise his rights deriving from § 321 BGB (objection of uncertainty). In such case, the Supplier shall also be entitled to demand payment of all claims arising from the current business relationship with the Buyer which are not yet subject to the statutes of limitation. Furthermore, the objection of uncertainty shall extend to all further outstanding deliveries and services from the business relationship with the Buyer.

§ 10 Intellectual Property Rights

- 10.1 Estimates of costs, drafts, drawings, and other documents or models remain in the ownership of the Supplier. The buyer is entitled to utilize it only in accordance with the contract concluded with the Supplier. The complete copyright with all rights to all information and documents handed over during the contractual relations belongs only to the Supplier in relation to the Buyer. This applies also to all information and documents coming into existence due to initiations and co-work by the Buyer. Disclosure to third parties may only be effected with the Supplier's permission. Drawings and other documents which are part of offers have to be handed back to the Supplier on demand or, if the order is not placed, without undue delay.
- 10.2 If during production of Goods according to drawings, samples, or any other specifications of the Buyer any rights of third parties are violated, the Buyer is obliged to release the Supplier from all claims against him. The Supplier is not obliged to verify the aforementioned documents with respect to existing Commercial Rights of Protection of third parties.

§ 11 Agreements on the Quality of the Goods

- 11.1 Statements of the Supplier regarding the quality of the Goods are not to be considered as guarantees with regard to the quality ("*Beschaffheitsgarantie*"), unless the parties explicitly agree upon such a guarantee in writing or in textual form. Only the legal representatives of the Supplier and its proxy holders ("*Prokuristen*") are entitled to give any guarantees. In such case the rights of the Buyer are determined by the content of the guarantee given by the Supplier. The Buyer has to assert his rights deriving from the guarantee within two months after a case of guarantee has materialized (term of foreclosure). Public statements, promotional statements and advertisements are deemed not to be descriptions of the quality ("*Beschaffheitsangaben*") of the Goods.
- 11.2 The quality of the Goods is conclusively described by expressly agreed performance characteristics (e.g. specifications, markings, release, other information). Other than the expressly agreed characteristics of the Goods shall not be owed. Any further warranty for a specific purpose or or suitability exceeding the warranty for the agreement on the characteristics of the Goods shall only be assumed insofar as this is expressly agreed in writing or textual form; the

further risk of suitability and use shall be borne exclusively by the Buyer. In particular, insofar as the Goods are intended for the installation in the Buyer's machines and equipment or containers and have not been specifically developed and/or constructed by the Supplier for such purpose, the Supplier does not guarantee the sufficient suitability, strength or durability of the Goods. In the absence of an agreement to the contrary, the Buyer shall be solely responsible for testing the suitability of the Goods for the purposes of the Buyer.

- 11.3 The Supplier shall not be liable for deterioration or destruction or improper handling of the Goods after the moment of transfer of risk.

§ 12 Warranties

- 12.1 In case of justified and timely notice of defects pursuant to § 8 of these Sales and Delivery Conditions the Supplier warrants that the Goods delivered by him shall have the agreed quality according to the provisions of German Law regarding the sale of goods and according to the subsequent provisions.
- 12.2 In case of proven defects of the Goods, the Supplier is entitled and obliged to either, according to his choice – which has to be made within a reasonable term –, eliminate the defect (repair) or to supply the Buyer with a new product free of defects (substitution delivery). If the substitution delivery or the repair remains unsuccessful because it is impossible, unreasonable, refused by the Supplier or unreasonably delayed the Buyer is entitled to withdraw from the contract or to make an adequate reduction of the purchase price. In case of only minor defects, the Buyer is not entitled to withdraw from the contract. Moreover, the Buyer is only entitled to withdraw from the contract under the condition of having previously set an adequate term in writing which expired fruitlessly, unless according to the provisions of statutory law the setting of such a term is superfluous. In the event that the Buyer withdraws from the contract because of a defect of the Good, the Buyer is not entitled to claim damages for such defect. In case the Buyer withdraws from the contract he is liable for deterioration, loss, and non-derivation of a profit from the Goods, not only for care one usually employs in one's own affairs, but also for any negligence on his part.
- 12.3 In case of a repair of the Goods, the Buyer – upon the Supplier's request – has to specify his notification of defects and to present written reports of defects and other information, which are suitable for an analysis of the defect. The Supplier bears the costs of repair, as far as they are not increased by a transfer of the Goods to another place than the contractually agreed place of delivery.
- 12.4 Any performances of substitution deliveries or repairs by the Supplier – irrespective of their extent – do not qualify as acknowledgement of the defects as claimed by the Buyer. Only the legal representatives of the Supplier and its proxy holders ("*Prokuristen*") are entitled to make any acknowledgements.
- 12.5 The Buyer shall not be entitled to claim costs in connection with supplementary performance, rescission or claims settlement, in particular installation and dismantling costs, test, validation, transport, travel, labour and material costs (i) to the extent that such costs were incurred as a result of the Goods delivered by the Supplier having been taken to a location other than the agreed place of performance after the transfer of risk, unless the relocation of the Goods corresponds to their intended use and the Supplier is aware of this, or (ii) if the Buyer was aware or could have been of the defect in question at the moment in which the costs were incurred, i.e. generally at the time of their delivery, however at the latest at the moment of the installation, processing or modification of the Goods.
- 12.6 In case the Buyer has installed the Goods in accordance with the Goods' type and intended use, into another object or attached the Goods to another object, he may claim reimbursement of his necessary costs for the dismantling of the defective Goods and the installation or mounting of

Goods free from defects (“dismantling and installation costs”) only in accordance with the following provisions:

- a. Only such dismantling and installation costs shall be deemed necessary which directly result from the dismantling and/or removal of the defective Goods and the installation and/or mounting of identical Goods, have been incurred on the basis of customary market conditions and have been proven by the Buyer vis-à-vis the Supplier by suitable documents (at least) in textual form.
 - b. Any additional costs of the Buyer regarding consequential damages such as e.g. loss of profit, down time costs or additional costs for replacement purchases do not qualify as dismantling and installation costs and, therefore, are not deemed recoverable pursuant to § 439 para. 3 BGB.
 - c. The Buyer is not entitled to request any advance payments for dismantling and installation cost or other expenses required for the remedy of the defective delivery.
- 12.7 In case that a defect derives from any act of default of the Supplier the Supplier will reimburse the Buyer for damages and expenses deriving from a defect only according to the limitations as provided for in § 13 of these Sales and Delivery Conditions.
- 12.8 In the event of defects in components provided by other manufacturers that cannot be eliminated by the Supplier for reasons of licensing or other practical reasons, the Supplier shall, at its own discretion, either enforce its warranty claims against such manufacturer and/or supplier for the account of the Buyer or assign such warranty claims to the Buyer. In case of defects of such kind any warranty claims against the Supplier shall only exist in accordance with other conditions and provisions contained in these Sales and Delivery Conditions if the judicial enforcement of the aforementioned claims against the manufacturer and/or supplier was unsuccessful or is deemed to be without prospect, for example due to insolvency. For the duration of the law suit, the statute of limitations shall be suspended for all of the respective warranty claims of the Buyer against the Supplier.
- 12.9 All warranty claims shall expire if the Buyer alters the Goods or allows a third party to alter the Goods without the prior consent of the Supplier and if such alteration of the Goods makes the elimination of defects impossible or unreasonably difficult. In any case the Buyer shall be obliged to bear any additional costs for the elimination of defects incurred as a result of the alteration of Goods.
- 12.10 In case of a proven defect in title, the Supplier will perform a supplementary fulfillment by means of granting the Buyer a legally indisputable possibility of usage of the Goods or – according to the choice of the Supplier – on substituted or modified equivalent goods. If the Supplier does not succeed to do so within an adequate period of time the Buyer is entitled to withdraw from the contract or to reduce the purchase price adequately. Under the aforementioned conditions also the Supplier shall be entitled to withdraw from the contract. Potential damage claims are subject to the restrictions as further specified in § 13 below.
- 12.11 The Buyer shall not be entitled to any claims for defects in title if (i) the Supplier has manufactured the Goods in accordance with drawings, models or other descriptions or information provided by the Buyer and the Supplier did not know or did not need to know that any industrial property rights of third parties were infringed in connection with the Goods developed by the Supplier or (ii) the infringement of industrial property rights of third parties was caused by the fact that the Buyer arbitrarily modified the Goods after delivery or used them in a manner not in accordance with the contract. In the aforementioned cases, the Buyer shall be liable vis-à-vis the Supplier for any infringements of industrial property rights that have already occurred or will occur.
- 12.12 The liability of the Supplier for the Goods delivered by the Supplier not to be in breach of any third-party industrial property rights or copyrights shall be limited to the Federal Republic of

Germany and the country in which the Buyer is registered. The Supplier shall have no such liability for any other country, such as any country to which the Goods may be moved by the Buyer, unless such other country has been notified by the Buyer to the Supplier in writing or in textual form prior to awarding the contract or placing the order for the Goods.

- 12.13 The Buyer shall notify the Supplier of any and all claims asserted by third parties infringing with the Buyer's possibility of usage immediately and exhaustingly in writing. Already now, he authorizes the Supplier to solely conduct judicial or extra judicial legal disputes with the third party. If the Supplier exercises such right, which is exclusively in his discretion, the Buyer must not recognize the claims of the third party without the consent of the Supplier and the Supplier is obliged to ward off the claims on his own expense and to hold the Buyer harmless of any costs and damages deriving from such defense, unless they are based on a conduct of the Buyer which qualifies as a breach of his obligations.
- 12.14 In the event of the infringement of rights by Goods delivered by the Supplier but manufactured/supplied by another manufacturer/supplier the Supplier shall, at its own discretion, either enforce its claims against this manufacturer and/or supplier for the account of the Buyer or assign any such claims to the Buyer. In such case any claims against the Supplier in accordance with the conditions contained in this § 12 shall only exist if the judicial enforcement of the aforementioned claims against the manufacturer and/or supplier was unsuccessful or is deemed to be without prospect, for example due to insolvency.
- 12.15 In the event of any unjustified complaints, the Supplier reserves the right to charge the Buyer for reasonable travel, freight and handling costs as well as other reasonable inspection expenses.

§ 13 Liability

- 13.1 The liability of the Supplier for compensation of damages, regardless of legal grounds, in particular due to impossibility, default, defective or incorrect deliveries, breach of contract, infringement of duties during contract negotiations and/or tort shall be restricted in accordance with the following provisions of this § 12 to the extent that the liability of the Supplier depends either on a negligent or intentional conduct:
- a. The Supplier shall not be liable for cases of ordinary negligence by its executive bodies, legal representatives, employees or other vicarious agents unless such act is deemed to qualify as an infringement with the cardinal contractual obligations. A contractual obligation shall be deemed cardinal if its observation renders the proper execution of the contract possible in the first place and if the Buyer normally relies on and may trust in its observation.
 - b. Insofar as the Supplier generally is liable for the compensation of damages in accordance with this § 13.1 such liability shall be restricted to the reasonably predictable damages typical for the contract.
- 13.2 The exclusions of and restrictions to liability specified in § 13.1 above shall apply to the same extent for the executive organs, legal representatives, employees and other vicarious agents of the Supplier.
- 13.3 The exclusions of and restrictions to liability specified in § 13.1 above shall not be applicable to the liability of the Supplier
- because of intentional acts or in case of a fraudulent concealment of a defect or in the event of defects the absence of which has been guaranteed by the Supplier,
 - in case of qualities for which a guarantee was issued,
 - because of loss of life, physical injury or damage to health or

- in respect of claims based on the Product Liability Act (Produkthaftungsgesetz, ProdHG).

13.4 Any claims of the Buyer regarding the reimbursement of expenses are limited to the amount of the interest which the Buyer has in the performance of the contract.

13.5 The provisions of this § 13 shall not operate to alter any of the provisions of law regarding the onus probandi.

§ 14 Statutes of Limitation

14.1 Any claims against the Supplier deriving from a defect become time-barred within one year beginning with the delivery of the Goods. In derogation from this rule, this shall not apply to any Goods which have been used for a building in accordance with their ordinary utilization and which has caused the defectiveness of that building; in such event any claims shall become time barred only after five (5) years beginning with the delivery of the Goods. In the event of supplementary performance the limitation period shall not recommence. Any other claims of the Buyer because of a breach of duty of the Supplier and all non-contractual claims of the Buyer become time-barred within one year, beginning in the moment as provided for by statutory law.

14.2 In derogation from the provisions contained in § 14.1 the statutory limitation periods shall apply if and in as far as a) the claim against the Supplier is based on § 478 or on §§ 651 and 478 BGB, b) the claim against the Supplier is based on intentional, fraudulent or gross negligent conduct of the Supplier or his agents or employees, c) damages are claimed as a result of any loss of life, injury or loss of health, d) the title against the Supplier is held under German Product Liability Act, e) the claim is based on a third party right in rem which grants any such third party the right to demand the surrender of the Goods (§ 438 para.1 subpara. a BGB) or f) the claim is based on any other right recorded in the land register (§ 438 para.1 subpara. b BGB). The provisions of § 14.1 shall further not apply if the claim of the Buyer is based on a warranty of the Supplier in accordance with § 443 BGB provided that any such claim shall exclusively be subject to the provisions of § 14.3 hereinbelow.

14.3 The statutes of limitation for claims deriving from any guarantee of the Supplier shall be governed by § 438 BGB unless a shorter period can be derived from the content of such guarantee.

14.4 The suspension of the statutes of limitations concerning claims deriving from or in connection with the contractual relationship between the parties according to § 203 BGB ceases in the moment of the Supplier's or the Buyer's refusal to continue negotiating the claim or the circumstances on which the claim is based on. Unless one of the Parties expressly declares in writing that the negotiations have failed, the refusal is deemed to have occurred six months after the dispatch of the last correspondence, the object of which was the claim or the circumstances on which the claim is based on.

14.5 §§ § 14.1 to 14.4 hereinabove shall not operate to alter any of the provisions of §§ 196, 197 and 479 BGB or any of the provisions of law applicable to the onus probandi.

§ 15 Publications

Both Parties are entitled to include projects etc. into their reference lists.

§ 16 Place of Performance, Jurisdiction, Applicable Law

16.1 The place of performance for all obligations deriving from the contract is the place of the delivering factory or the warehouse of the Supplier. For all lawsuits with businesspersons, also in

respect of a bill or cheque lawsuit, the courts of the principle place of business of the Supplier, i.e. Warburg, Germany, shall have exclusive jurisdiction. However, the Supplier is entitled to sue the Buyer at the place where the Buyer has its registered office. Any mandatory provisions regarding any exclusive places of venue remain unaffected from this provision.

- 16.2 The contract is subject to German Law under exclusion of the conflict of law provisions. The Vienna UN-Convention of April 11, 1980 on Contract for the International Sale of goods (CISG) as well as any other bilateral or multilateral agreements aimed at the unification of international sales shall not apply.
- 16.3 If the Buyer has his registered seat outside the Federal Republic of Germany the Supplier shall be entitled in accordance with his discretion to have all disputes arising out of or in connection with the business relationship with the Buyer, including disputes concerning the validity of contracts, in accordance with the Arbitration Rules of the German Institution of Arbitration (Deutsche Institution für Schiedsgerichtsbarkeit e.V.). (DIS) to make a final decision under the exclusion of the ordinary courts of law. At the request of the Buyer, the Supplier shall exercise his right of choice prior to the commencement of the proceedings. The place of arbitration shall be Düsseldorf, Germany. The arbitration proceedings shall be held in German unless the Buyer requires English as the language of the proceedings.

§ 17 Export Restrictions, Export Control

- 17.1 The delivery of the Goods may be subject to the provisions of export control and export restrictions pursuant to German, European or other foreign law, e.g. because of the characteristics of the Good, its intended usage or because of the final delivery destination. If according to such provisions it is not allowed to deliver the Good or to make the contractual performance or if any permits, admissions or approvals by the authorities which may be required will not be issued but which are necessary for the Supplier in order to perform the contract, the Supplier is entitled to withdraw from the contract. In such case the Buyer is not entitled to claim damages vis-à-vis the Supplier.
- 17.2 Upon request of the Supplier the Buyer will provide the Supplier immediately with all information and documents which are necessary for the verification of any requirements for permits. If the Buyer does not comply with that obligation the Supplier is entitled to retain the Good and – if the Buyer does not comply with his aforementioned obligations within an adequate period of grace – is entitled to withdraw from the contract pursuant to the provisions of § 17.1 above.

§ 18 Final Provisions

Previous sales and delivery conditions of the Supplier are herewith rendered invalid.

Please note:

The Supplier stores personal data of the Buyer within the scope of business transactions or transmits, uses, changes and deletes these in accordance with the applicable data protection regulations, in particular the Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) and the European General Data Protection Regulation (DS-GVO). Further information on the collection of personal data of the supplier's business partners pursuant to Articles 13, 14 and 21 DS-GVO can be found on the Supplier's website at <http://www.stelzer.eu/datenschutz/>.

The English text of these Sales and Delivery Conditions is a convenience translation only and the German version of the Supplier's Sales and Delivery Conditions which can be found at

<http://www.stelzer.eu/> [●] shall be the decisive and legally binding version. In case of any inconsistency between the German and this English version of the Supplier's Sales and Delivery Conditions, the German version shall always take precedence and prevail.

Stelzer Rührtechnik International GmbH

Warburg, 11. März 2019