

## General purchasing conditions for deliveries of Muehlbauer Group

- I. General**
- The following purchasing conditions are exclusively valid for all current and future orders of Muehlbauer Holding AG & Co. KGaA and all their associated companies (§15 Companies Act). Conditions of business of our contracting party, which either totally or partially defy our conditions or the legal rules, are not accepted. They cease to be subject of the contract when we knowingly accept delivery or work performance of the hindering conditions. If our conditions do not reach the contracting partner with the order or do not reach him via another opportunity then they become applicable if our partner has been made aware of these through a former business relationship. A current version of the purchasing conditions can be found on [www.muehlbauer.de](http://www.muehlbauer.de).
  - Orders only become binding for us if we have produced them in written form. We do not recognize verbal contracts. In particular, orders per telephone, changes or additions to orders will only become binding when we confirm them in writing.
  - Rights, which we are lawfully entitled to extending beyond these conditions remain untouched.
- II. Offers, extent of orders and prices**
- Offers and cost estimates are to be submitted free of charge unless a contrary agreement has been made.
  - Silence on offers, requests or other statements from our suppliers only means acceptance if this has been agreed expressly in writing.
  - After receipt of the order by the supplier we expect an implicit written order confirmation within four working days mentioning our order- and article-number.
  - We retain the right to reduce or increase the amount of ordered items or to make adaptations to the performance of different types of machinery in particular in respect to new technical developments as long as this means an improvement for us as well as to request the time and place of delivery or the setting up of machinery. In this case, our contracting party does not reserve the right to make a claim for damages. If, as a result of this procedure, cost increases and/or delivery delays are proven to occur then a satisfactory settlement must be negotiated.
  - The prices listed in our order are ceiling prices and remain binding even when price increases occur in the meantime. However, if our contracting party reduces his prices by the delivery deadline, we shall be informed of this reduction.
  - In case, the ordered goods fall under export control or other restrictions following German law the supplier has to inform us in writing prior to conclusion of the contract.
  - For articles that are ordered the first time we need to receive automatically and without having to ask for a long-term-supplier's-declaration or information on country of origin and customs code.
- III. Terms of delivery**
- The delivery date listed in our order is binding. The supplier is obligated to inform us immediately and in written form if situations occur (or if he becomes aware of factors), which lead to a delivery delay. Furthermore he has to inform us about the new binding delivery date.
  - If the supplier is not able to honor the agreed delivery date of movable goods or if the manufacturing and the setting up of as well as the putting into production of immovable objects such as machines to be permanently fixed, complete machinery and industrial facilities and other devices is not completed within the deadline, then our contracting party shall charge a financial penalty of between at least two percent of the net total of the order, but maximum five percent of the total sum of the invoice (of this order) to be paid. In addition to this, our contracting party is liable to pay for damages for a missed deadline which may arise through complications in production, refused orders, and a loss of wages occurring at our site, if such damages exceed the penalty. Furthermore, we shall be entitled to immediately withdraw from a contract if deadlines are not met. The acceptance of too late delivered goods does not lead to a waiver of possible compensation claims for damages.
  - Partial-, short- or over-deliveries are not acceptable except a contrary agreement has been made. In individual cases such deliveries can be accepted.
  - Shipping documents have to be included in each delivery. The documents have to show our order number, our article number for each position, the material description and the weight of the shipment.
  - In case express transport was essential to meet the delivery date, the arising additional costs have to be born by the supplier.
  - The delivery of additional agreed documents such as test certificates, material quality certificates or similar is essential for the completion of the delivery.
- IV. Dispatch and risk taking**
- Our contracting party is liable for the strict conformation to the regulations pertaining to the dispatch which have been given to him. We retain the right to refuse to accept deliveries if we have not received proper dispatch and shipping documents on the day of delivery so that, as a result, we are subject to a delay in the purchase of goods. If costs occur due to the refusal to accept the goods, our contracting partner must pay the costs.
  - Our contracting partner carries the risk of a randomly occurring sinking or worsening until the point of delivery to us, unless explicitly agreed otherwise in writing.
  - All work or output is deemed free of transportation costs until the dispatch address including packaging, even if, in single cases, another written agreement has taken place. The return of packaging materials as well as the carrying of packaging costs by us only comes into effect if we explicitly confirm this in written form or if it is legally prescribed.
  - Our contracting partner must only fulfill his delivery obligations after the delivery of the work or output as long as there has been no other written agreement. Decisive for amounts and weights are the respective values which have been determined at our works.
- V. Manufacturing orders**
- For work involving setting up, maintenance and additional service, the following applies: Our contracting partner is responsible, in the case of the performance of all work, carried out both by himself and by his agents, for the conformation to fire prevention and occupational safety and health regulations, in particular those which are valid in our production plants.
  - Our contracting partner will be held liable for damage, which is caused either by himself or by his agents on our site. We are exempt from any claims for compensation of third persons, also from instructions of supervisory authorities, which are made against us, in the context of the contractually-agreed delivery or service. Upon our request, he must prove that he is able to cover the costs for this damage by satisfactory personal liability insurance.
  - Our contracting partner and his agents themselves are responsible for the care of the safe storage and maintenance of their property to be delivered to our plant. In this regard we do not grant any warranty.
- VI. Patents and trade mark right**
- Our contracting partner must guarantee that no patent or other industrial property rights pertaining to the products delivered by him are broken through third persons.
  - Our contracting partner makes us exempt from any obligation, liability, loss, claims for compensation including costs and disbursements which result from claims and litigation due to the breakage of patents or other commercial industrial property rights issues. In the case that such claims are made against us, our contracting partner shall assume our defense in court at his own cost and shall therefore exempt us from any claims made between these parties, in which ever form, by third persons. In the case that such claims are made against us, we shall inform our contracting partner of these immediately in writing and provide him with the necessary information.
- VII. Sketches and models**
- Sketches, models, documentation, software, etc. which we provide for the carrying out of or payment of work, remain/ become our property. Our contracting partner shall be held liable for the loss or damage to the aforementioned, also for the misuse up until the point of their orderly and complete return.
  - After completion of a job task the contracting partner must return those objects mentioned in 7.1 to us automatically.
- VIII. Cession and charging**
- Our contracting partner is only allowed to give away claims to a third party with our written agreement; this is also valid for a cession in the context of a factoring-contract. If a cession takes place without our agreement, we are entitled to withdraw from the contract. The same is valid, if, against our contracting partner, insolvency proceedings are commenced or applied for.
  - Our contracting partner is not entitled to offset costs against our claims, unless these are counter claims not challenged by us or made legally valid against us or are based on the same contract.
- IX. Invoice and payment**
- After successful contractually agreed delivery of the ordered goods or provision of the agreed service we will receive an invoice from our contracting party. Due to processing reasons the invoice has to show our order number, the description of the invoiced positions as well as our supplier number. Invoices without this information will be considered as not received.
  - Payment will be made after conventional delivery and receipt of the invoice. In case of bad delivery we retain the right to withhold the payment till all issues have been set or fulfilled. Bonuses, discounts and price deductions stay unaffected.
  - Our payment shall take place within 14 days subsequent to receipt of the invoice with a 3% cash discount. For settlement within 30 days, we shall receive a 2% cash discount and for payments within 60 days we shall receive net terms.
  - In the case of reprimands for faults, we shall be entitled to keep back the threefold sum of the expected costs of an improvement of a replacement delivery until the complete, faultless manufacture or delivery takes place.
- X. Non-disclosure**
- Our contractual partner will keep confidential all information we disclose to him. He agrees not to use any information for his own use or for any other purpose except for the permitted one unless we have given our explicit written confirmation. He shall not disclose or permit disclosure of any information either directly or indirectly to third parties or to their employees excepting those who need to have the information to carry out the agreed purpose and who have agreed to be bound by terms, at least as strict as those herein. Our partner shall be liable for his employees.
  - The use of our logo, names and other indicators that show the cooperation between our contractual partner and us, for advertisement or similar purposes is only allowed after our written consent.
- XI. Guarantee**
- Our contracting partner guarantees that the subjects of the contract correspond to his offers and the contractually-agreed composition and do not violate the rights of third persons, both for distribution and utilization purposes. In every case, the subjects of the contract must apply to the laws of Germany, especially to the legal accident preventions regulations and the Product Liability Act. There is no limitation in the statutory liability and/or warranty obligations of our contracting partner.
  - If the manufacturing and/or installation of a machine, a device or a complete piece of equipment is carried out according to a specifically agreed plan or special request, our contracting partner must guarantee that the subject of the contract fulfills the purpose intended by us.
  - The spectrum of guarantee to be provided by our contracting partner includes the parts produced by his suppliers and the deliveries of the suppliers respectively.
  - Our obligation to investigate and to reprimand for faults first arises when the delivery to our works has taken place. Subsequent to this, in not simple cases the period of investigation and reprimand shall cover at least one month.
  - In the case of immovable objects such as permanently fixed machinery and equipment, we must provide an inspection. We are only obliged to purchase the aforementioned if the machine or equipment has been installed or set up correctly and is operational.
  - In the case of faults, we are entitled to demand an improvement or delivery of replacement parts of our choice. These objects must be faultless. If the subject of the contract has already been handed over, we shall be entitled to prepare the faulty delivery immediately for collection and to store it/them if we require a redelivery of faultless subjects of the contract. This cost shall be carried by our contracting partner.
  - If a punctual improvement or delivery of spare parts is not possible, if it is not successful or reasonable, we can make a claim for compensation and/or withdraw the contract or demand a price reduction. In the aforementioned cases we are also entitled to have the faults corrected upon the cost of our contracting partner. If, however, a fault is only recognised subsequent to processing, our contracting partner shall also be made liable for the damage to us which occurs from this.
  - The guarantee period for deliveries of products lasts for 24 months, beginning from the handing-over or, where appropriate, subsequent inspection.
  - In the case that our contracting partner is responsible for a damaged product, he is obligated to exempt us from claims for compensation of third parties after our first request, as the cause originated in his organizational domain and is himself liable to fourth parties.
    - Within the context of his liability for cases involving damage stated in paragraph a.), the supplier is also obligated to compensate for the costs resulting from these damages, which have resulted from or are linked with one of the return procedures according to paragraph 683, 670 of the German Civil Code and according to paragraph 830, 840, 426 of the German Civil Code. Concerning the content and extent of the measures to be carried out involving one of these returns, we shall, as long as it is possible and reasonable, inform the supplier and give him the opportunity to make a Statement. Any other legal Claims remain unaffected.
    - The supplier obligates himself to take out a product liability insurance to cover euro ten million per case of damage to persons or property. In the case that we are entitled to additional claims for damages, these remain unaffected.

**XII. Reservation of title**

We only accept the reservation of the title of our contracting partner in written form. The title is transferred to us with the payment of the invoice for the subject of the contract. This is also the case if we have made legal deductions from the invoice. A reservation of title of our contracting partner in extended or expanded form is explicitly opposed by us.

**XIII. Data Processing**

We will process the data we have received from our contracting partner, resulting from our business relationship according to German Data Protection Act.

**XIV. Other Provisions**

1. Should one or several provisions of the conditions mentioned in this contract be invalid or unfeasible, the validity of the other provisions of this contract shall remain otherwise unaffected. Such invalid provisions shall be replaced by new provisions with the same economic degree of success as their aim. The same is valid for the rule concerning contractual deficits.
2. As long as conditions have not become subject matter of the contract, the content of the contract shall obey the legal regulations
3. The place of performance is the headquarter of our works for which the delivery of work/service is destined.
4. The contractual relationships shall be governed exclusively by German law, excluding the provisions of conflict law and the United Nations convention on Contracts for the International Sale of Goods (CISG).
5. In every case, also those future claims from the business, including those from transactions, cheques and other documents, the forum is Regensburg. This is the case, when the supplier is a businessman or has fulfilled the definition of a businessman according to German Commercial Code.