

## General Conditions of Sale and Delivery

### 1. Validity

The following General Conditions of Sale and Delivery apply to all orders placed with Ferag. Any changes or special conditions asked for by the Purchaser are valid only if they have been approved explicitly and in writing with Ferag.

### 2. Scope of Delivery Obligation

The equipment and services to be supplied by Ferag are specified in the written confirmation of order. Extras and additional services are invoiced separately.

The technical data given are approximations unless described explicitly as accurate. They are subject to alteration by Ferag without notice.

The delivery and service obligation does not extend to the installation of the equipment. The Conditions of Erection issued by Ferag shall apply with respect to this provision.

### 3. Technical Documents

All technical documents such as drawings, illustrations, descriptions, etc. are the exclusive property of Ferag. They must not be made available to third parties, or copied, duplicated or used for reproducing any part of the equipment.

### 4. Local Regulations

The Purchaser must inform Ferag at an early date of local regulations concerning delivery, erection, technical installations, operator safety, etc.

Safety devices are supplied in accordance with written agreement between the two parties.

### 5. Prices

Ferag's prices are quoted in EURO, payable without deduction, ex works, including packing.

All other costs such as freight, insurance, direct and indirect taxes as well as other fees, customs duties, licenses, certifications, etc. are borne by the Purchaser.

### 6. Conditions of Payment

Payments must be made directly to Ferag, in EURO and at the stipulated place of fulfilment, without deductions of any kind such as discounts, expenses, etc.

The agreed dates of payment must be adhered to even if delivery is delayed. The absence of minor parts without serious influence on the use of the equipment, as well as possible claims against Ferag's guarantee contract or other obligations, do not entitle the Purchaser to a reduction nor a delay of payment.

### 7. Delivery Period

The delivery period in terms of days and months begins as soon as the contract has come into force, the required legal formalities, if any, have been complied with, the stipulated payments at the time of ordering have been effected, collateral has been supplied if requested, and all essential technical specifications have been agreed upon. The delivery date shall be considered to have been met if the equipment is ready for shipment on time.

The delivery period is extended by a suitable length:

- if the Purchaser fails to supply information in good time required by Ferag to execute the order, or if he changes specifications;
- in the case of obstacles which are beyond Ferag's control, no matter where they arise. Such obstacles are e.g. epidemics, mobilizations, war, rebellions, major disruptions of production, accidents, labour disputes, government actions, natural disasters;
- if the Purchaser is in arrears with his work in connection with the delivery, or if he has not fulfilled his contractual obligations, especially those relating to payment.

Partial deliveries are permitted, whereby in this case the partial delivery counts as a delivery.

The Purchaser cannot claim damages in case of delayed delivery. The Purchaser cannot cancel the contract unless in writing to Ferag, he has set an appropriate extension period of delivery which Ferag is guilty of not maintaining.

### 8. Reservation of Title

Ferag retains title to the equipment until it has been paid in full. The Purchaser is obliged to help Ferag in securing its legal rights, e.g. by having the legal reservation of title registered officially.

### 9. Use and Risk

Use and risk pass to the Purchaser, with shipment of the consignment ex works.

If the shipment is delayed, or if it cannot be effected for reasons beyond Ferag's control, Ferag shall be entitled to store the equipment on its premises or deposit it at a warehouse for account and at risk of the Purchaser.

### 10. Insurance

As of the moment use and risk pass the Purchaser, it is his duty to insure the equipment against damage. Even if Ferag takes out an insurance policy, it does so for account and at the risk of the Purchaser.

### 11. Shipment

The goods are shipped for the account and at the risk of the Purchaser. Special delivery instructions must be received by Ferag at an early date. Complaints with respect to the shipment shall be addressed by the Purchaser to the last carrier and the insurers immediately upon receipt of the consignment or the shipping documents.

### 12. Inspection and Acceptance of Delivery

The Purchaser shall inspect the consignment and inform Ferag immediately and in writing of any defects, this within ten days after receipt of the shipment. If no complaint is brought to notice as specified above, the consignment shall be considered as having been accepted, and all claims will be forfeited in view of defects which in due check up would have been recognized.

When Ferag installs the equipment and when handing over the installation ready for production, both parties shall sign the Hand-Over/Acceptance Memorandum in which any defect will be listed. This must be done not later than one month after installation has been completed. The start of production will in any case mark the acceptance of the installation.

### 13. Industrial Property Rights and Copyright on the Object of Sale

The industrial property rights (especially patents) and copyrights on the object of sale remain the exclusive property of Ferag or its licensor. The Purchaser acquires the right to use the object of sale in accordance with the contract. The Purchaser obligates himself neither to remove nor to alter Ferag trademarks (marks, brands, company names, as well as patent and copyright marks) on the object of purchase.

### 14. Guarantee

Ferag undertakes to repair or to replace at its choice as soon as possible all component parts which have become defective or unserviceable as a result of imperfect design or manufacture, after Ferag has received a written request from the Purchaser to this effect. Component parts which have been replaced become Ferag's property.

Any other claims by the Purchaser with respect to defectives or improper equipment in particular for claims of indemnity and cancellation of contract are excluded.

The guarantee period shall be for twelve months with normal operation, or six months in the event of more than ten hours operation per day; the guarantee period shall begin with the shipment ex works or, if Ferag installs the equipment, after the record acceptance has been signed by both parties or the beginning of productive work.

In the event that shipment of the consignment or installation is delayed for reasons for which Ferag cannot be held responsible, the guarantee period shall expire at the latest eighteen months after the consignment has been readied for shipment ex works.

Replaced component parts are guaranteed under the same terms as the equipment supplied by Ferag but the guarantee period shall end not later than twenty-four months after the commencement of the guarantee period for the latter.

Wearing parts and damages as a result of natural wear-and-tear, improper maintenance, non-conformance with operating instructions, excessive loads, use of improper operating materials, chemical or electrolytical influences or other reasons for which Ferag cannot be held responsible are excluded from the guarantee.

The guarantee by Ferag is deemed to be null and void in the event that the Purchaser or a third party carries out repairs or alterations without written approval from Ferag; or if the Purchaser fails to inform Ferag immediately of the failure and does not take appropriate measures to prevent additional damage, or if he does not give Ferag the opportunity to correct the fault.

Unless the Purchaser makes specific claims based on the guarantee before it expires, Ferag shall be deemed to be released from all contractual and non-contractual obligations.

If Ferag orders external products (products from other manufactures), Ferag undertakes the same guarantee for them.

Excluded are all external products of electronic data processing (hardware and software). In this regard, the guarantee claims of the Purchaser are in line with the conditions of the third party, which upon the request of the Purchaser will be informed by Ferag. It is the responsibility of the Purchaser to conclude maintenance contracts with third parties or to take over the maintenance of external products themselves or have it done on commission.

For software developed by Ferag and sold to the Purchaser (Ferag-Software), Ferag assumes the same guarantee as for all other objects of sale. During the length of the guarantee, Ferag delivers all improved versions of Ferag-Software without cost to the Purchaser and the Purchaser obligates himself to install these improved software versions and to use only them.

Service and maintenance work, as well as other services related to the object of purchase which do not come under the guarantee are assumed by Ferag and charged to the Purchaser at standard rates and are performed for compensation. Instead of this, the Purchaser can conclude a maintenance contract with Ferag against compensation of expenses.

### 15. Title

Ferag guarantees that the objects of sale and components developed by Ferag are not subject to protective rights such as patents and copyrights for third parties, which limit or restrict the use of these components at the place of service.

If the Purchaser is approached by third parties who maintain that normal use at the place of service violates their copyright, Ferag assumes at their cost the defence of such claims and remunerates the Purchaser his legal compensation payments to the third party. Should rights to forbearance of the third party according to legal judgement or in the opinion of Ferag be recognized, Ferag can choose

- at their own cost obtain for the Purchaser the right for contractual use (third party license);
- at their own cost to replace technically or functionally objects of sale or parts of it in order that no copyright for third party will be further violated, and/or
- to take back the object of contract or parts thereof of with refunding of the price less a suitable amount deducted for the use to date. A return of parts is only permissible if replacement of the parts by third party manufacturers is technically and functionally possible and the Purchaser can be expected to bear a possible difference in price or if Ferag will bear the same.

Additional legal claims from the title, especially additional claims for compensation, are excluded. In addition the claims above are not valid the Purchaser does not inform Ferag within five working days of judicial or extrajudicial claims of third parties, does not leave the unlimited control of the defence of such claims, and/or makes allowances to third parties without approval from Ferag.

### 16. Liability

Ferag shall supply the equipment as specified in the contract and fulfil its obligations arising out of the guarantee. Every other form of liability towards the Purchaser or third parties for any damage within the legal limits whatsoever is excluded.

### 17. Place of Performance, Court of Jurisdiction and Applicable Law

Place of performance for all the duties of the parties to the contract is Ferag in case of doubt. Supplementing to the single contract and the general conditions given also the German law is applicable.

Legal jurisdiction for all the cases at issue of the parties to the contract is exclusively Leipzig.