

General Terms and Conditions for Deliveries and Services of Gloning Krantechnik GmbH

1. Scope

All our deliveries and services and other ancillary services in company business transactions are provided exclusively on the basis of these General Terms and Conditions. Terms and conditions of the buyer shall not become part of the contract, even if we do not expressly object to them or accept payments without reservation.

2. Conclusion of contract, scope of delivery

2.1 Our offers are subject to change without notice. However, if, after we submit an offer, the contractual obligations change due to new or changed regulations or new demands by authorities, we can adjust this at our reasonable discretion, taking into account the interests of both parties. This shall also apply after acceptance of an offer.

2.2 The written order confirmation of the seller shall be decisive for the scope of delivery of the system. In the absence of written confirmation of the order, the seller's offer shall apply.

2.3 If, after the conclusion of the contract, it becomes apparent that our claim to payment is jeopardised by the buyer's inability to pay, or if the buyer is in default of payment of a substantial amount or other circumstances that indicate a significant deterioration in performance of the buyer after conclusion of the contract, we shall be entitled to the rights under § 321 German Civil Code (Bundesgesetzbuch - BGB).

3. Prices

3.1 Unless otherwise agreed, the prices are ex works, ancillary costs (in particular costs for packaging, insurance, freight, storage or third-party inspection) are not included. Insofar as we have undertaken the installation or assembly and insofar as nothing else has been agreed, the buyer shall, in addition to the agreed prices, bear all necessary ancillary costs such as, in particular, the costs of travel, transport of hand tools, consumption and provision of electricity, water, compressed air, as well as assembly aids, lifting gear, operating personnel, caulking and grouting work.

3.2 The prices are net prices, plus value added tax at the respective statutory rate. In the case of deliveries abroad, all taxes, customs duties and other public charges to be paid by us abroad shall be reimbursed by the buyer.

3.3 If charges or other external costs included in the agreed price change later than four weeks after conclusion of the contract, or if they are newly incurred, we shall be entitled to change the price correspondingly.

4. Terms of payment

4.1 Payment shall be made in accordance with the method of payment agreed in the contract and the agreed payment deadlines.

4.2 In the event of non-compliance with the payment dates, interest shall be charged from the day following the payment date and without further reminder in the amount of the average market interest rate for overdrafts on business accounts, but at least the statutory interest.

4.3 In the event of default in payment or if our claims are jeopardised by a significant deterioration in the creditworthiness of the buyer, we shall be entitled to call in our claims or demand collateral, irrespective of the term. We are also entitled to execute outstanding deliveries only against advance payment or against provision of securities. We are entitled to sell claims against the buyer to third parties.

4.4 The buyer shall only be entitled to a right of retention and a right of set-off insofar as the counterclaims are undisputed or have been legally established. If this is not the case, a right of retention on the part of the buyer must originate from the same contractual relationship as our claim and be in reasonable proportion to the latter.

5. Dimensions and weights

5.1 Grades and dimensions shall be determined in accordance with the standards applicable at the time of conclusion of the contract or, in the absence of such, in accordance with commercial practice. Reference to standards, material sheets or test certificates as well as information on grades, dimensions, weights and usability are not assurances or guarantees.

6. Delivery and delivery time

6.1 Binding delivery dates and deadlines must be expressly agreed in writing.

6.2 Delivery dates shall only apply on condition that all details of the order are clarified in good time, in particular that all documents and approvals to be procured by the buyer are provided, that drawings are approved and that any agreed advance payment is received in good time and that any agreed payment security is provided in good time. A further prerequisite is the timely provision of preliminary construction and assembly services by the buyer, in particular the provision of electricity, gas, water, assembly aids, lifting equipment and necessary auxiliary personnel to us free of charge. In addition, the buyer shall ensure safe access to the installation at its own expense, in particular access roads and paved ground.

6.3 The delivery date shall be the day of notification of readiness for dispatch, otherwise the day of dispatch of the goods. We are entitled to make partial deliveries. A delivery deadline is considered to be met, even if the delivery is defective.

7. Self-delivery reservation, force majeure and other hindrances

7.1 If we are prevented from fulfilling our obligations due to the occurrence of unforeseen events which affect us or our suppliers or subcontractors and which we are unable to avert even with reasonable care e.g. in the case of war, interventions by higher authorities, civil unrest, forces of nature, accidents, strikes and lockouts, other operational disruptions and delays in the delivery of essential operating materials or input materials, the deadlines shall be postponed by a

reasonable start-up time for the duration of the hindrance. If the fulfilment of our obligations becomes impossible or unreasonable for us due to the hindrances, we may withdraw from the contract.

7.2 If we are in default and the buyer makes a credible case that it has suffered damage as a result, it shall be entitled to claim compensation for the delay. It shall amount to 0.5% for each full week of delay, but in total not more than 5% of the value of that part of the delivery which cannot be used for its intended purpose as a result of the delay. Claims for damages in lieu of performance that exceed the aforementioned limits are excluded in all cases of delayed delivery, even after the expiry of any delivery deadline that may have been set for us. This shall not apply in cases of intent or gross negligence or due to injury to life, body or health or other mandatory liability. The buyer may only withdraw from the contract within the framework of the statutory provisions if we are responsible for the delay in our deliveries. A change in the burden of proof to the detriment of the buyer is not associated with the above provisions.

8. Dispatch and transfer of risk

8.1 The risk shall pass to the buyer as follows, even in the case of carriage-paid delivery and even if partial deliveries are made:

8.1.1 With the handover of the goods to be delivered to the buyer, the forwarder, at the latest, however, when the goods leave the factory, the warehouse or the branch office.

8.1.2 In the case of deliveries with assembly, on the day of delivery or, if agreed, after acceptance by the buyer, at the latest on commissioning.

8.1.3 If dispatch, delivery, commencement, performance of installation or assembly or acceptance is delayed for reasons for which the buyer is responsible, or if the buyer is in default of acceptance for other reasons, the risk shall pass to the buyer.

8.1.4 Delivery items notified as ready for dispatch must be called off immediately, otherwise we shall be entitled to store them at our discretion at the expense and risk of the buyer and to invoice them as delivered (partial final settlement, if applicable).

9. Delivery

9.1 Unless otherwise agreed, we deliver without assembly. If, in addition to delivery, we have also undertaken to carry out assembly, the item shall be deemed to have been delivered as soon as it is accepted by the buyer, at the latest upon commissioning.

10. Complaints

10.1 The buyer or the designated recipient shall inspect the products delivered by us immediately after delivery. Obvious defects – including the absence of warranted characteristics – must be reported in writing without delay, but no later than 14 days after receipt of the goods; hidden defects must be reported in writing without delay after their discovery, but no later than within a period of 14 days. If the buyer fails to notify us in due form and time, the goods shall be deemed to have been approved. The timeliness of the notification depends on the time we receive it.

10.2 We shall be given the opportunity to determine the defect that has been the subject of a complaint. This shall apply in particular before the removal of defective parts and before the start of any repair work. In urgent cases of danger to operational safety or to prevent disproportionate damage, we shall inspect the defect immediately.

10.3 If the buyer fails to comply with the obligations set out in Section 10.2, or if it makes changes to the goods that are the subject of complaint without our consent, it shall lose any warranty claims.

11. Warranty and liability for defects

11.1 All those deliveries that are within the period of limitation are to be repaired, re-delivered or re-performed free of charge at our discretion, provided that the cause of the defect was already present at the time of the transfer of risk. For deliveries abroad, we shall at most deliver free of defects. Should the buyer nevertheless request personnel from us for the installation, all costs incurred in this connection are to be borne by the buyer.

11.2 Claims for defects shall become statute-barred within 24 months after commissioning, but no later than 26 months after readiness for delivery. This shall not apply insofar as the law prescribes mandatory liability or longer periods in accordance with §§ 438 para. 1 no. 2 (buildings and objects for buildings), 479 para. 1 (right of recourse) and 634a para. 1 no. 2 (construction defects) BGB (German Civil Code). The provisions on suspension of expiry, suspension or commencement of time limits shall remain unaffected.

11.3 First of all, the buyer must give us the opportunity to remedy the defect within a reasonable period of time.

11.4 If the supplementary performance fails, the buyer may reduce the remuneration, without prejudice to any claims for damages pursuant to Section 10.

11.5 Claims for defects shall not exist in the case of only insignificant deviation from the agreed quality, in the case of only insignificant impairment of usability, in the case of natural wear and tear or damage occurring after the transfer of risk as a result of faulty or negligent handling, faulty, improper, omitted or untimely maintenance, improper storage, excessive stress, unsuitable operating materials, defective construction work, unsuitable foundation soil or damage caused by special external influences (e.g. chemical, electrochemical or electrical influences or extraordinary temperature and weather influences) which are not assumed under the contract, as well as in the case of non-reproducible software errors. If improper modifications or repair work are carried out by the buyer or by third parties, there shall also be no claims for defects for these and the resulting consequences.

11.6 We shall be liable solely in accordance with the statutory provisions under the following conditions.

11.7 Claims for damages and reimbursement of expenses (hereinafter: claims for damages), irrespective of the legal grounds, in particular due to breach of duties arising from the contractual obligation and from tort, are excluded.

11.8 The liability for indirect and consequential damages such as loss of use, loss of profit, damages from business interruption and financing costs are excluded.

11.9 The above limitations of liability (Sections 11.7 and 11.8) do not apply, insofar as liability is mandatory, e.g. under the Product Liability Act, in cases of intent or gross negligence, due to injury to life, limb or health, due to the assumption of a guarantee for the quality of an item or due to the breach of significant contractual obligations, i.e. contractual obligations the fulfilment of which is a prerequisite for the orderly performance of the contract and on whose observance the buyer regularly relies and may rely. The compensation for damages for the breach of essential contractual obligations is, however, limited to the foreseeable damage typical for the contract, unless there is intent or gross negligence or liability exists due to injury to life, body or health.

11.10 A change in the burden of proof to the detriment of the buyer is not associated with the above liability provisions.

12. Impossibilities and limitation of liability

12.1 Insofar as the agreed delivery is impossible, the buyer shall be entitled to claim damages in accordance with Section 11 unless we are not responsible for such impossibility.

13. Retention of title, confidentiality, data protection

13.1 The delivery item shall remain our property (goods subject to retention of title) until all claims, in particular also the respective balance claims, to which we are entitled against the buyer within the framework of the business relationship, have been fulfilled.

13.2 The processing of the goods subject to retention of title shall be carried out for us as manufacturer within the meaning of § 950 of the BGB. The processed goods shall be deemed to be goods subject to retention of title within the meaning of Section 13.1.

In the event of processing, combining and mixing of the reserved goods with other goods by the buyer, we shall be entitled to co-ownership of the new item in the ratio of the objective value of the reserved goods to the objective value of the other goods used. If our ownership expires as a result of processing, combining or mixing, the buyer shall transfer to us the ownership rights to which it is entitled in the new stock or item to the extent of the objective value of the goods subject to retention of title and shall keep them in safe custody for us free of charge. Our co-ownership rights shall be deemed to be reserved goods within the meaning of Section 13.1.

13.3 The buyer may only sell the goods subject to retention of title in the ordinary course of business under its normal terms and conditions of business and as long as it is not in default, provided that the claims arising from the resale pass to us in accordance with Section 13.4.

13.4 The buyer's claims arising from the resale of the goods subject to retention of title, irrespective of whether they are unprocessed or combined with other goods not supplied by us, are hereby assigned to us in the amount of the invoice value or in the amount of our co-ownership share in accordance with Section 13.2; this shall apply to the respective balance claims if the resale claim is included in a current account.

13.5 The buyer shall be obliged to protect the reserved goods against theft at its own expense. The buyer shall insure the goods against breakage, fire and water damage for the duration of its obligations towards us and provide us with proof of this upon request. It shall hereby irrevocably assign to us all its rights arising from the corresponding insurance contracts until complete fulfilment of its obligations.

If the buyer fails to fulfil its obligations under the preceding paragraph, we shall be entitled to take out the aforementioned insurances to the extent we deem necessary at the buyer's expense with the proviso that we shall be directly entitled to the rights under the insurance contracts.

13.6 The buyer shall be obliged to keep the goods subject to retention of title in perfect condition and to have any necessary repairs carried out by specialist companies without delay; it shall provide us with information about the goods subject to retention of title at any time, in particular also with regard to the respective location. We are entitled to enter the location of the reserved goods at any time; where required, the buyer shall provide us or our authorised representatives with access to the location of the reserved goods at any time. The buyer is obliged to inform us immediately of any risk to our property.

13.7 In the event of a breach by the buyer of material obligations under this Section 13, we are entitled to demand payment of the entire remaining debt for the reserved goods, immediately, irrespective of the term of any bills of exchange, or to demand securities. If the buyer does not pay the entire remaining debt within seven days of our request to do so or if it does not provide the required securities within this period, its right of use to the reserved goods shall expire. We shall then be entitled to demand the immediate return of the goods at the expense of the buyer to the exclusion of any rights of retention.

13.8 We shall be entitled, without prejudice to the payment obligation of the buyer, to realise the reserved goods repossessed by us in the best possible way by private sale or to take them over at the respective market price. The market price for the goods subject to retention of title shall be estimated by a sworn expert appointed by the Chamber of Industry and Commerce responsible for our supplying plant in a manner that is binding for the buyer and us. The proceeds from the

realisation or the market price shall be offset against the payment obligation of the buyer after deduction of the costs incurred by us.

13.9 The taking back or assertion of the reservation of title as well as the seizure of the delivery item by us shall not be deemed to be a withdrawal from the contract unless we have expressly declared this.

13.10 If the value of the existing securities exceeds the secured claims by more than 10% in total, we shall be obliged to release securities to this extent at our discretion at the request of the buyer.

13.11 We reserve the property rights and copyrights to cost estimates, models, drawings and other documents.

13.12 The buyer is obliged to keep secret all drawings, models, cost estimates, business or trade secrets and other confidential documents and information received from us in physical or electronic form. These may only be made accessible to third parties with our consent within the scope of what is deemed necessary. The obligation to maintain secrecy shall also apply after the contract has been completed; it shall only expire if and to the extent that information has become generally known.

13.13 We are also authorised to have the personal data entrusted to us processed in compliance with the data protection provisions within the scope of the purpose of the respective contract. In doing so, we have to ensure compliance with data protection regulations.

14. Acceptance

14.1 If acceptance has been agreed, it must be carried out immediately after notification of readiness for acceptance.

14.2 If we so require, an acceptance shall also be carried out with regard to completed partial deliveries.

14.3 The buyer shall create the conditions necessary for the performance of an acceptance test. With the exception of our personnel costs, the buyer shall bear all costs associated with the acceptance.

14.4 The buyer may refuse acceptance due to minor defects, without prejudice to its rights under Section 11.

14.5 If the acceptance is not carried out in time or not completely through no fault of our own, the delivery item shall be deemed to have been accepted after our written request for acceptance and after expiry of a reasonable period of time set by us, provided that we have specifically pointed out this consequence.

14.6 Acceptance is effected in any case if the delivery item is put into operation without our consent.

15. Place of performance, place of jurisdiction, applicable law

15.1 The place of performance for all contractual obligations is our company's registered office. The exclusive place of jurisdiction for all disputes, including actions in bill of exchange and cheque proceedings, is the competent court (Eilwangen) at our company's registered office. However, we are also entitled to sue the buyer at its general place of jurisdiction.

15.2 In case of dispute, the German text of these General Terms and Conditions of Sale and Delivery shall be binding.

15.3 The law of the Federal Republic of Germany shall apply exclusively to all legal relationships between the buyer and us. The application of the United Nations Convention on Contracts for the International Sale of Goods (so-called UN Convention on the International Sale of Goods) is excluded.

16. Partial ineffectiveness

In the event of the invalidity of individual contractual provisions, the remaining provisions shall remain in full force and effect. Invalid provisions shall be replaced by a provision which, as far as legally possible, comes as close as possible to what was economically intended in accordance with the meaning and purpose of the invalid clause.

Last updated: May 2013