

GENERAL TERMS AND CONDITIONS OF SUPPLY

Schwerte, 30th of May 2020

I. PREAMBLE

- a. All deliveries executed by NEUHAUS Maschinenbau GmbH (hereinafter called „supplier“) are governed exclusively by the following conditions unless other co-determining documents are expressly mentioned in the quotation. Any deviating conditions quoted in the tender or the purchase order will be valid only if accepted by the supplier in writing, even if no express objections are made.
- b. Should there be any discrepancies between the German and the English texts, the German text will be binding.
- c. Only agreements in writing between the contracting parties will be valid. This applies to changes to this requirement of the written form as well.

II. DRAWINGS AND TECHNICAL INFORMATION

- a. All drawings and technical documents relating to the product or its manufacture submitted by one party shall remain the property of the submitting party. Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.
- b. The supplier shall, not later than at the date of delivery, provide free of charge information and drawing which are necessary to permit the customer to install, commission, operate and maintain the product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each. The supplier shall not be obliged to provide manufacturing drawings for the product or for spare parts.

III. DELIVERY – PASSING OF RISK – AND CUSTOMS HANDLING

- a. In Accordance with INCOTERMS® 2020 the delivery term is ex works (EXW) without statics, electrics, assembly, commissioning; otherwise as described. Partial delivery shall not be permitted, unless otherwise agreed.
- b. The necessary documents for customs handling of the cleared goods are being charged by the supplier on a time and material basis. It has to be clarified by the customer in advance what kind of documents are necessary for the mentioned country of export.

IV. DELIVERY BY AGREEMENT

- a. The delivery period starts on completion of the following conditions: Availability of the signed order confirmation, Receipt of any documents to be provided by the customer (e.g. site plan, drawings, certificates etc.), Receipt of the agreed deposit on the account provided by the supplier.

- b. Requirement of the written form: Any changes requested by the customer during the planning and production states will result in adjustments of prices and the delivery date and will only be considered as agreed when we have them in writing and we have confirmed them.

V. PRICE VALIDITY

- a. If the period between order confirmation and performance is more than one month, then the supplier shall be entitled to pass on to the customer any price increases, in particular in wages and material costs, that may have occurred in the meantime and are outside the supplier's area of influence. If the market price development for the products steel, zinc and copper is outside a pre-defined upper limit, then a price increase shall follow in line with the excess and multiplied by the increase per product (price escalation clause).
- b. The prices contained in our offer are based on current manufacturing and material costs. If over the further course of planning other changes are carried out regarding to construction physics, dimensions, loads and quantities, then the calculated prices are to be revised or adjusted.

VI. RETENTION OF TITLE

- a. The product shall remain the property of the supplier until paid for in full to the extent that such retention of title is valid under the relevant law. The customer shall at the request of the supplier assist him in taking any measures necessary to protect the supplier's title to the product. The retention of title shall not affect the passing of risk under section III.

VII. PAYMENT

- a. The Payment shall be made within 30 days after the date of invoice.

VIII. TECHNICAL DOCUMENTATION

- a. The machinery manufactured by NEUHAUS for the application in the European Economic Area and the execution of the technical documentation are subject to the legal requirements of Machinery Directive 2006/42/EG, which requires the following scope of delivery: 1. Documentation for installed components in German or English (other languages on request), 2. safety instructions and residual risks in German or English (other languages on request) and 3. spare parts catalogue (in German or English).
- b. In the event of any special requests/exceptions, additional agreements are to be made which may be associated with additional costs.
- c. Depending on the actual delivery ordered, the final decision will be made as to the actual area of application (complete or incomplete machinery/equipment) and which documents will be provided.

IX. TECHNICAL AGREEMENT

- a. A technical agreement shall be made individually to the product in addition to the general terms and conditions of supply to define the technical specifications and requirements.

- b. NEUHAUS reserves the right to replace any parts contained in the specific machinery/equipment by others of an equal or higher quality.

X. PAINTING

- a. If not defined in the Technical Agreement all parts will be finished with a single base coat of approximately 80 µm in RAL 7035 (light grey).
- b. Optionally, items may be finished in a special color for a surcharge.

XI. DEFAULT INTEREST

- a. In the event of late payment, we shall charge interest at a rate of 9% above the base rate from the first day of default, and a maximum of 12% per anno.
- b. Commissioning will be carried out in accordance with the general practice of the relevant industry. Commissioning may only be repeated in the event of significant errors to the plant without any defects that prevent the contractually agreed use of the plant, but are to be rectified by NEUHAUS by an appropriate date and within a reasonable period to be agreed by the contracting partners. When rectifying any defects, suspension or interruption of the warranty periods are to be observed. If the operation is such that the contractually agreed features are achieved, or can be achieved, and if there are no reasons for which the contractor is responsible that would prevent the commissioning and independent maintenance of operation by the end customer's operating personnel under the conditions agreed in the contract, then the machinery/equipment shall be regarded as commissioned.

XII. COMMISSIONING REPORT

- a. Both the delivery and the commissioning are to be logged. The personnel required for the operation and charging of the equipment shall be provided by the customer.
- b. On notification of readiness for commissioning, the risk shall transfer to the customer. The preliminary documentation of the commissioning shall contain either confirmation of the absence of any defects or the recording of any defects before expiry of the warranty. The final version of the documentation of the commissioning (including) operating instructions, maintenance regulations, lists of spare parts etc. shall be passed on to the customer no later than 3 months after commissioning.

XIII. SUPERVISION AND ADVISORY SERVICE

- a. NEUHAUS shall not be liable for any damage and/or consequential damage caused by personnel provided by the customer as fitters, since the customer is responsible for supervising his own personnel.

XIV. WARRANTY AND LIABILITY

- a. The supplier shall be held liable without restriction in the event of culpable injury to life, limb and health by the supplier, vicarious agents of the supplier or legal representatives of the supplier. The supplier shall be held liable for his own intent and gross negligence, as well as for intent and gross negligence on the part of his legal representatives and vicarious agents.
- b. The supplier shall be held liable for any culpable violation of such obligations, the fulfilment of which enables performance of the contract in the first place and on compliance with which the Buyer regularly relies and may rely, on the part of ourselves, our legal representatives or our vicarious agents. Insofar as we, our legal representatives and vicarious agents have not acted with intent and no case exists according to Section XIV, the liability shall however be limited to the foreseeable damage typical of the contract.
- c. The supplier shall be held liable in the event of fraudulent concealment of a defect or in the event of assumption of a guarantee. In the latter case, the extent of liability depends on the section XIV e. The supplier shall further be held liable in cases of mandatory legal liability according to the German Product Liability Act.
- d. Otherwise the warranty is excluded. Regarding Sections XIV a to c the customer is obliged to assess the goods immediately after receiving them and report any open defect. Otherwise he is excluded with any right to warranty (§ 377 BGB). In the case of hidden defects the customer is obliged to report them immediately after discovery or is excluded with any right to warranty.
- e. A prerequisite for the guarantee is the correct and documented maintenance (e.g. servicing and inspection) of the provided machine material and evidence of the same. The required maintenance and operation are based on the user information (e.g. operating instructions and maintenance requirements). The customer's conservation of value and duty of notification become effective on part acceptance, as do the necessary activities for maintenance and care. In the event of a warranty claim, written confirmation of the correct and punctual maintenance and servicing are to be provided on request. If necessary, the reports are to be handed over to the supplier. Failure to comply will invalidate any claims under the guarantee. The customer may transfer his maintenance commitment to the supplier in a maintenance agreement. The warranty shall expire 6 months after delivery.
- f. The supplier accepts no liability towards the customer for production stoppages, loss of profits, loss of use, penalties and any other financial or indirect consequential damage, unless in cases of sections XIV a. Nor will any costs resulting from inappropriate use be recognized.
- g. Wear parts are not covered by the warranty or guarantee. Our equipment is offered as component for the integration by a qualified and experienced system manufacturer which means there is no procedural guarantee for the higher-level overall system.
- h. Should the customer or third parties conduct improper alterations or repairs without the prior approval of the supplier, no liability is assumed for the consequences arising there from.

XV. CONSEQUENTIAL LOSSES

- a. Save as otherwise stated in these General Conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever.

XVI. DISPUTES AND APPLICABLE LAW

- a. Law of the Federal Republic of Germany excluding the CISG (Convention on Contracts for the International Sale of Goods) will apply exclusively to the contractual relationship between customer and supplier to the exclusion of all foreign laws.
- b. The place of fulfilment for all liabilities is Schwerte, Germany, unless otherwise agreed upon.
- c. The competent courts at our headquarters are exclusively responsible for all disputes concerning rights and obligations arising from these Terms and Conditions and the contracts concluded based on these Terms and Conditions, including their validity.

XVII. SEVERABILITY CLAUSE

- a. Should any of the individual definitions of this contract be or become invalid for whatever reason, this shall not affect any of the other parts. The resulting gaps are to be filled and the valid regulations adjusted so that the original intent of the contracting parties is supported as much as possible. In the interpretation of the contract, the rectification of any unclear items and the responses to questions that the involved parties omitted to consider on conclusion of the contract shall take the form of a solution that is as close as possible to the economical objective of the contract.