

General terms of Sale and Supply  
Chr. Renz GmbH, D-73540 Heubach, Germany

1. Field of application

Sales, deliveries and other services provided by Chr. Renz GmbH (referred to hereinafter as: "Renz") are made exclusively in accordance with the following General Terms and Conditions of Sale and Supply (referred to hereinafter as: "Terms of supply" which the purchaser acknowledges by issuing the order or taking receipt of delivery. They also apply to all future transactions with the purchaser. The application of any differing or supplementary terms of business of the purchaser shall be ruled out even if Renz does not expressly contradict them.

2. Conclusion of contract

2.1 Offers made by Renz are subject to confirmation. A contract shall only come into force on written order confirmation by Renz and depends exclusively on the content of the order confirmation and these terms of supply. Verbal arrangements and agreements shall be subject to written confirmation by the company in order to be valid.

2.2 Renz reserves all rights to sales documents (in particular illustrations, drawings, weight and dimensional specifications) and the samples. They shall not be made available to third parties and shall be returned to Renz immediately on request. Only after prior written agreement by Renz shall such records be passed on to third parties.

2.3 Renz reserves the right to make technical or production-related amendments and variations from the agreed properties (c.f. clause 7.1) to an extent that is reasonable for the purchaser, and within appropriate commercial tolerances.

2.4 Agreements and orders concluded with our representatives shall be subject to written confirmation by us in order to be valid. Our representatives are not entitled to negotiate effectively for or against us. We assume no liability for simple negligence on the part of our representatives.

2.5 If not expressly authorised, the field services of Renz cannot conclude any contracts or make any binding agreements concerning the item supplied or other conditions.

3. Lead times and delivery dates

3.1 Lead times and delivery dates are only binding if they have been confirmed in writing by Renz and the purchaser has provided all the information and records required for completion of the delivery, or has made these available and has paid any agreed down payments in good time. Agreed lead times commence with the date of order confirmation. In the event of additional or extended orders issued subsequently, the lead times shall be prolonged as appropriate.

3.2 Unforeseeable, unavoidable events that are outside the control of Renz and for which Renz is not responsible such as force majeure, war, natural catastrophe, official decrees or industrial disputes shall, for their duration, release Renz from its obligation to deliver or supply on time. Agreed delivery dates or lead times shall be extended by the duration of the disruption. The purchaser shall be appropriately informed of the onset of a disruption. If the end of the disruption is not foreseeable or if it lasts longer than two months, both parties are entitled to withdraw from the contract.

3.3 Should deliveries by Renz be delayed, the purchaser shall only be entitled to withdraw from the contract if Renz is responsible for the delay and an appropriate period for delivery set by the purchaser has elapsed without result.

3.4 Should the purchaser delay in taking delivery of the supplies, or should he be in breach of other obligations of cooperation, Renz is entitled to store the goods at the risk and expense of the purchaser. Renz shall be entitled, notwithstanding its other rights, to withdraw from the contract if a period of grace set for the purchaser to take receipt of the supply has elapsed without result.

3.5 Renz may undertake partial deliveries where there is a substantiated reason for this.

#### 4. Dispatch, transfer of risk, insurance

4.1 If no stipulations are made by the purchaser, carriage shall be by an appropriate means in the normal packaging.

4.2 Risk is transferred to the purchaser on transfer of the supplied item to the carrier firm or the purchaser himself. Should transfer or dispatch be delayed due to reasons for which the purchaser is responsible, the risk is transferred to the purchaser on the date of notification of readiness to dispatch the supplied item.

4.3 Insurance policies are only taken out at the request and expense of the purchaser.

#### 5. Prices, terms of payment

5.1 Should the contracting parties not have agreed a specific price, the price is determined in accordance with the Renz price list valid at the time of conclusion of the contract.

5.2 The terms of payment for export orders are, where no written agreement is made to the contrary, either on supply against irrevocable letter of credit or documents against payment, cash on delivery or cash in advance. Should the parties not have agreed any of these options in individual cases, the choice shall be at the discretion of Renz.

5.3 All Renz prices are considered to be ex works exclusive of the appropriate statutory rate of VAT, any customs duties and packaging and carriage costs that are charged for

separately. Surcharges for low-volume purchases are calculated in accordance with the price list. Crates are credited on carriage-free return at 50 % of the amount charged.

5.4 All invoices shall become due for payment within 30 days from date of invoice without discount. Payments made by the purchaser shall only be considered to have been made when the money is available to Renz.

5.5 In the event of payment not being made on time (c.f. clause 5.4), Renz is entitled to charge the appropriate statutory rate of interest. Claims for any further compensation for delayed payment shall remain unaffected.

5.6 Bills of exchange and cheques shall only be accepted by special agreement and shall be free of processing costs and expenses for Renz.

5.7 The purchaser is only entitled to offset payments if his counterclaim is undisputed or has been determined by law. The purchaser is only authorised to assert the right to retain a payment to the extent that his counterclaim relates to the same contract, is undisputed or is determined by law.

5.8 If, after conclusion of contract, Renz becomes aware of the risk of the purchaser not being able to pay, Renz is entitled to complete outstanding supplies only against prepayment or provision of security. If the prepayments or provision of securities are not made even after an appropriate period of grace has elapsed, Renz may withdraw from individual or all affected outstanding contracts either partially or completely. Renz's entitlement to assert further rights shall be unaffected.

## 6. Acceptance

6.1 The purchaser is obliged to accept items supplied that have been manufactured in accordance with the contract.

6.2 Should the purchaser not immediately accept the item supplied, after he has become aware that the item is ready for operation or he has been asked to accept it, Renz may set the purchaser an appropriate period of grace within which to accept. If the purchaser does not accept the item supplied within this period, acceptance shall be considered to have taken place.

## 7. Agreement concerning condition without acceptance of guarantee

7.1 Renz guarantees that the item supplied is in the agreed condition on transfer of risk; this shall be measured exclusively in accordance with the specific agreements made in writing between the parties concerning the qualities, characteristics and performance of the item supplied.

7.2 It is not the intention of Renz and the contract between the parties is not intended for Renz to undertake any liability (guarantee) concerning the condition of the item supplied vis à vis the purchaser over and above the agreement concerning condition in clause 7.1.

7.3 According to clause 7.2 specifications in catalogues, price lists and other information supplied to the purchaser by Renz shall not under any circumstances be considered to represent such guarantees concerning any specific condition of the item supplied.

## 8. Guarantee, obligation to investigate

8.1 Rights of the purchaser under guarantee depend on the purchaser checking the item supplied after receiving the goods and notifying Renz of any defects in writing immediately and at the latest two weeks after receipt; Renz must be notified in writing of any hidden defects immediately they are discovered.

8.2 In the event of a complaint being made, Renz has the right to rectify and test the item supplied which is the subject of complaint. The purchaser shall allow Renz sufficient time and opportunity for this. Renz may also request that the purchaser sends back the item which is the subject of complaint to Renz at Renz's expense. Should any complaint by the purchaser prove unjustified, the purchaser shall be obliged to pay Renz compensation for any expenses that it has incurred in this connection – e.g. travel and engineering costs or dispatch costs.

8.3 Defects under guarantee shall be eliminated by Renz free of charge to the purchaser at its own discretion either by repair or replacement by a fault-free item (jointly referred to as "rectification").

8.4 The purchaser shall allow Renz sufficient time and opportunity to repair the defect or supply a replacement.

8.5 Parts replaced by Renz shall be returned.

8.6 Renz shall not undertake any guarantee for damages caused by unsuitable or incorrect use, defective assembly, defective commissioning, defective handling or defective installation by the purchaser or by natural wear and tear, provided that the damages are not the responsibility of Renz.

8.7 The material, dispatch, labour costs and other expenses shall be borne by Renz provided that the purchaser is not liable for such costs by way of an exception under clause 8.2.

8.8 Should Renz refuse to fulfil the contract finally and irrevocably, if special circumstances exist that justify the immediate assertion of rights other than those referred to in clause 8.3 with careful consideration of the interests of both parties, or should the elimination of the defect or replacement delivery fail, if it is not reasonable for the

purchaser or if Renz has refused it under § 439 Para. 3 of the German Civil Code on account of unreasonable costs, the purchaser, at his discretion, may either withdraw from the contract in accordance with the legal provisions, reduce the purchase price and/or request compensation (or if appropriate the refunding of his expenses).

8.9 The period of limitation for claims under guarantee for rectification, withdrawal or reduction is 12 months from the date of delivery to the purchaser. Any claim for compensation is subject to the statutory period of limitation.

## 9. Compensation and limitation of liability

9.1 Renz is liable to pay compensation in accordance with the statutory provisions where clause 9.2 makes no other stipulation.

9.2 By way of an exception, Renz is liable

- (i) according to the amount, limited to typical damages foreseeable in a contract for infringement of essential obligations arising from the contractual relationship which are the result of minor negligence, moreover
- (ii) not at all for non-essential obligations arising from the contractual relationship that are the result of minor negligence.

These restrictions of liability do not apply in the event of compelling statutory liability in particular under product liability law.

9.3 For damages suffered by the purchaser due to minor negligence, Renz shall be liable according to the amount, limited to typical damages foreseeable in a contract

- (i) for the infringement of essential obligations arising from the contractual relationship
- (ii) if the purchaser requests compensation for damages instead of delivery

- in the event of a significant or insignificant infringement of duty;
- if in the event of the infringement of an obligation of protection and due care or of an ancillary obligation not related to the supply, delivery is no longer reasonable for the purchaser
- if delivery is impossible.

9.4 Excluded from this are any claims by the purchaser for damages caused by minor negligence on the part of Renz

- compensation for damages instead of full delivery (major compensation) in the event of insignificant infringement of obligations by Renz
- moreover, compensation in the event of infringement of non-essential duties arising from the contractual relationship

9.5 Figures 9.1 – 9.4 apply to all claims for compensation for any reason whatsoever, in particular for liability on account of unacceptable handling

9.6 The purchaser is obliged to take appropriate action to prevent and reduce damages.

## 10. Retention of ownership

10.1 The supplied products shall remain the property of Renz until complete payment of all receivables to Renz arising from the contract with the purchaser.

10.2 On running accounts, the property retained shall serve as security for the balance of receivables due to Renz.

10.3 The purchaser shall only be permitted to sell the products retained in the course of ordinary business. The purchaser is not entitled to pledge the retained products, assign them as security or to dispose of them in any other way that would risk the property of Renz. The purchaser shall hereby assign to Renz any receivables from selling on; Renz hereby accepts this assignment. If the purchaser should sell the retained products after processing or their transformation or after their combination with other goods or together with other goods, the assignment of receivables shall only be agreed to the value of the part that corresponds to the price agreed between Renz and the purchaser plus a safety margin of 10 % of this price. The purchaser has entitlement, which can be revoked, to collect on a trust basis receivables assigned to Renz, in its own name. Renz can revoke such entitlement as well as the entitlement to sell on, if the purchaser is in default in respect of essential obligations such as for example payments to Renz.

10.4 Processing or transformation of the retained products by the purchaser shall always take place on Renz's behalf. If the retained products are processed with other items, Renz shall have joint ownership in the new item to the value of the reserved products in proportion to the other items processed at the time of processing. The same applies to the new object created by processing as to the products supplied subject to retention of ownership.

10.5 If the retained products are combined with other items, Renz shall have joint ownership in the new item to the value of the reserved products in proportion to the other objects at the time they were combined. Should the combining be such that the purchaser's item is to be considered the main item, it shall be agreed that the purchaser shall assign to Renz proportional joint ownership. The joint ownership thus arising shall be held by the purchaser for Renz.

10.6 The purchaser shall provide to Renz at all times any information required concerning the retained products or concerning claims that have been assigned to Renz concerning them. The purchaser shall notify Renz immediately concerning any access to or claims by third parties concerning retained products, furnishing the necessary records. The purchaser shall inform the third parties at the same time of the retention of ownership by Renz. The costs of defending against such access and claims shall be borne by the purchaser.

10.7 Should the purchaser be in default in respect of essential obligations such as payment to Renz, Renz may take back the retained products notwithstanding other rights and use them elsewhere in order to obtain settlement for all due receivables from the

purchaser. In such cases the purchaser shall grant Renz or Renz's representative immediate access to the retained products and release them to them.

10.8 In the event of supplies subject to another legal system, in which the above rules concerning retention of ownership do not have the same effect of security as in Germany, the purchaser shall do everything in his power to provide corresponding security rights for Renz immediately. The purchaser shall cooperate with all measures such as registration, publication etc. that are necessary and required for the effectiveness and enforceability of such security rights.

10.9 At the request of Renz, the purchaser is obliged to insure the retained products as appropriate, provide Renz with the appropriate proof of insurance and assign any claims arising from the insurance policy to Renz.

#### 11. Product liability

Should the purchaser sell the items supplied without modification or after further processing, transformation or combination with other goods, he shall release Renz by internal arrangement from product liability claims from third parties provided that he is responsible for the fault on which liability is based.

#### 12. Industrial property rights

Should the purchaser stipulate, by specific instructions, specifications, documents, designs or drawings, how Renz is to produce the products to be supplied, the purchaser shall guarantee that the rights of third parties such as patents, registered designs and other intellectual property rights and copyrights are not infringed thereby. The purchaser shall release Renz from any claims by third parties who might assert a claim for such infringement against Renz.

#### 13. General terms and conditions

13.1 Any amendments or supplements to the contract and/or these terms and conditions of supply as well as ancillary agreements shall be in writing. This also applies to any amendment of this requirement for the written form.

13.2 If any clause of the contract and/or these terms and conditions of sale should prove to be wholly or partially invalid, this shall not affect the validity of the remaining clauses. The parties undertake in such circumstances to replace the invalid clause by a valid clause that is as close as possible to the economic intention of the invalid clause.

13.3 If the purchaser is a trader, public sector corporation or a special fund under public law, the court with exclusive jurisdiction for all disputes arising from the contractual relationship is Schwäbisch Gmünd. This applies even if the purchaser has no court of general jurisdiction in the Federal Republic of Germany or if it has moved its usual place

of business abroad after conclusion of the contract. Renz is however entitled to take proceedings against the purchaser at any other competent court.

13.4 The law of the Federal Republic of Germany shall apply with the exclusion of the United Nations Convention on the International Sale of Goods and Services (CISG).