

**General terms and conditions of business of
the Herbert Kannegiesser GmbH (hereafter "Supplier")
for the supply of machines and spare parts
(hereafter "Terms of Sale")**

For use regarding:

1. A person who, upon conclusion of the contract, is acting in the exercise of his commercial or self-employed professional activity (entrepreneur);
2. Legal entities under public law or a special fund under public law.

(hereafter "**Customer**")

I. General Information

1. All deliveries and services are based on these terms and conditions and any separate contractual agreements. Deviating terms and conditions of purchase of the Customer shall not become part of the contract even upon acceptance of the order. In the absence of a separate agreement, a contract is concluded with the written order confirmation of the Supplier.
2. The Supplier retains the right to samples, cost estimates, drawings and the like. information of a physical and non-physical nature - including in electronic form - property rights and copyrights; they may not be made accessible to third parties. The Supplier undertakes to make information and documents designated as confidential by the Purchaser available to third parties only with the Purchaser's consent.

II. Price and Payment

1. In the absence of a special agreement, the prices shall apply ex works, including loading at the factory, but excluding packaging and unloading. Value added tax at the respective statutory rate is added to the prices.
2. In the absence of a special agreement, payment shall be made without any deduction within 15 working days of the invoice date to the account of the Supplier
3. The Customer shall only be entitled to withhold payments to the extent that his counterclaims are undisputed or have been legally established.
4. The Customer shall only be entitled to offset counterclaims arising from other legal relationships to the extent that they are undisputed or have been declared final and absolute.
5. If the installation is part of the scope of delivery, the following applies:

The costs of assembly shall be borne by the Customer. In addition, the following conditions shall apply for each type of installation:

The Purchaser shall bear the cost and risk of assembly and provide in due time

- a) Necessary auxiliary personnel, such as electricians, pipe fitters, construction workers, etc. in the number deemed necessary by the Supplier,
- b) Earthwork, concrete, construction and scaffolding work, exhaust air pipes and power lines (electricity, compressed air, steam, condensate, water, vacuum, hydraulics) including connection of machines, aggregates and equipment
- c) The equipment necessary for installation and putting into service, such as lifting gear, transport trolleys
- d) Assembly aids and auxiliary materials, such as e.g. scaffolding timber, underlay and cladding material, electricity, steam, compressed air, lighting, heating,
- e) Sufficiently large, suitable, dry and lockable rooms of sufficient size for the storage of materials and tools as well as appropriate work and recreation rooms for the Supplier's employees,
- f) Prior to the start of the installation, the delivery parts required for the start of the installation work must be available on site. The access routes must be made, passable and cleared. This also includes the availability of all necessary connecting lines (see Section 7 (b)).
- g) If assembly and commissioning is delayed by circumstances at the place of assembly through no fault of the Supplier, the Customer shall bear all costs for waiting time and further necessary travel by the assembly personnel.
- h) The Customer shall certify to the Supplier's representative the work performed on the assembly order and the acceptance of the machine on the handover protocol.
- i) The Supplier is not liable for work to be arranged by the purchaser.
- j) In all other respects, the Supplier's current terms and conditions of assembly shall apply to assembly wages, travel expenses, allowances and similar.

III. Delivery Time, Delay in Delivery

1. The delivery time results from the agreements of the contracting parties. Compliance with it by the Supplier presupposes that all commercial and technical questions between the contracting parties have been clarified and that the Purchaser has fulfilled all obligations incumbent upon him, such as the provision of the necessary official certificates or permits or the payment of a deposit. If this is not the case, the delivery period shall be extended accordingly. This shall not apply if the Supplier is responsible for the delay.
2. Compliance with the delivery time is subject to correct and timely delivery to us. The Supplier shall notify us of any impending delays as soon as possible.
3. The delivery time shall be deemed to have been observed if the delivery item has left the Supplier's site by the end of the delivery time or readiness for dispatch has been notified. Insofar as an acceptance is to take place, the acceptance date is decisive - except in the case of justified refusal of acceptance - or alternatively the notification of readiness for acceptance.

4. If dispatch or acceptance of the delivery item is delayed for reasons for which the Customer is responsible, the costs incurred by the delay shall be charged to the Customer, beginning one month after notification of readiness for dispatch or acceptance.
5. If the non-compliance with the delivery time is due to force majeure, labour disputes or other events beyond the Supplier's control, the delivery time shall be extended accordingly. The Supplier shall notify the Purchaser of the beginning and end of such circumstances as soon as possible.
6. The Customer may withdraw from the contract without notice if the Supplier is finally unable to provide the entire performance before the transfer of risk. In addition, the Purchaser may withdraw from the contract if, in the case of an order, the performance of part of the delivery becomes impossible and the Purchaser has a justified interest in refusing partial delivery. If this is not the case, the Customer shall pay the contract price attributable to the partial delivery. The same applies in the event of incapacity on the part of the Supplier. Otherwise, Section VII.2 shall apply.

If the impossibility or inability to perform occurs during the delay in acceptance or if the Buyer is solely or predominantly responsible for these circumstances, he shall remain obliged to pay consideration.

7. If the Customer sets the Supplier a reasonable deadline for performance after the due date in the event of default - taking into account the statutory exceptions - and if the deadline is not met, the Customer shall be entitled to withdraw from the contract within the framework of the statutory provisions. At the request of the Supplier, he undertakes to declare within a reasonable period of time whether he will exercise his right of withdrawal.

Further claims arising from delay in delivery shall be determined exclusively in accordance with Section VII.2 of these terms and conditions.

8. If parts and materials to be provided by the Purchaser are delivered to the Supplier before the date contractually agreed for this purpose and if the Supplier is not able to install the parts and materials provided with its own delivery item at this time without disadvantages for its own operating procedures, the Supplier shall be deemed to be authorised by the Purchaser to store the parts and materials provided at the risk and expense of the Purchaser, i.e. against a customary storage fee, until the contractually agreed date of provision. If the Purchaser so requests in writing, the parts and materials provided shall be returned to the Purchaser.

IV. Transfer of Risk, Acceptance

1. The risk shall pass to the Customer when the delivery item has left the factory, even if partial deliveries are made or the Supplier has assumed other services, e.g. shipping costs or delivery and installation. Insofar as an acceptance is to take place, this is decisive for the transfer of risk. It must be carried out immediately on the acceptance date, alternatively after the Supplier has notified the Purchaser that the goods are ready for acceptance. The Purchaser may not refuse acceptance in the event of an insignificant defect.

2. If dispatch or acceptance is delayed or does not take place due to circumstances not attributable to the Supplier, the risk shall pass to the Customer on the day of notification of readiness for dispatch or acceptance. The Supplier undertakes to take out the insurance policies requested by the Purchaser at the latter's expense.
3. Partial deliveries are permissible as far as reasonable for the Customer.

V. Reservation of Title

1. The Supplier retains title to the delivery item until receipt of all payments - also for any additional services owed - from the delivery contract.
2. The Supplier is entitled to insure the delivery item against theft, breakage, fire, water and other damage at the expense of the Customer, unless the Customer has demonstrably taken out such insurance himself.
3. The Customer may neither sell, pledge nor assign the delivery item as security. In the event of seizure, confiscation or other dispositions by third parties, he must inform the Supplier immediately.
4. In the event of conduct on the part of the Purchaser in breach of contract, in particular default of payment, the Supplier shall be entitled to take back the delivery item after a reminder and the Purchaser shall be obliged to surrender it.
5. Due to the reservation of title, the Supplier can only demand the return of the delivery item if he has withdrawn from the contract.

VI. Warranty

The Supplier shall be liable for material defects and defects of title of the delivery as well as used machines to the exclusion of further claims - subject to Section VII - as follows:

Defects of Quality

1. All those parts which prove to be defective as a result of a circumstance prior to the transfer of risk shall be repaired or replaced free of defects at the discretion of the Supplier. The Supplier shall be notified immediately in writing of the discovery of such defects. Replaced parts become the property of the Supplier.
2. After consultation with the Supplier, the purchaser must give the Supplier the necessary time and opportunity to carry out all the repairs and replacement deliveries which the Supplier deems necessary; otherwise the Supplier is released from liability for the consequences arising from this. As a matter of principle, delivery for replacement materials or parts in standard shipping, e.g. no speed post or express delivery.

Only in urgent cases where operational safety is endangered or to prevent disproportionately large damage, in which case the Supplier must be informed immediately, shall the Purchaser have the right to remedy the defect itself or have it remedied by third parties and to demand reimbursement of the necessary expenses from the Supplier.

3. The Supplier shall bear - insofar as the complaint proves to be justified - the expenses necessary for the purpose of subsequent performance, insofar as this does not result in a disproportionate burden on the Supplier. Insofar as the expenses are increased because the buyer has taken the purchased item to a place other than the place of performance after delivery, any additional costs incurred as a result shall be borne by the buyer. In the event of the sale of a newly manufactured item, the Supplier shall also

reimburse the expenses incurred by the Buyer in the context of recourse claims in the supply chain to the extent of its legal obligation.

4. Within the framework of the statutory provisions, the purchaser has the right to withdraw from the contract if the Supplier - taking into account the statutory exceptions - allows a reasonable period of time set for him for the repair or replacement delivery due to a material defect to elapse fruitlessly. If the defect is only insignificant, the Purchaser shall only be entitled to a reduction of the contract price. The right to reduce the contract price is otherwise excluded.
5. Further claims shall be determined exclusively in accordance with Section VII. 2 of these terms and conditions.
6. No liability shall be assumed in the following cases in particular: Unsuitable or improper use, faulty assembly or commissioning by the Purchaser or third parties, natural wear and tear, faulty or negligent handling, improper maintenance, unsuitable operating materials, defective construction work, unsuitable building ground, chemical, electrochemical or electrical influences - unless the Supplier is responsible for them. Likewise, no liability shall be assumed if the Buyer uses spare parts and wear parts which have not been delivered or expressly released by the Supplier. The same applies to consumables.
7. If the Customer or a third party carries out repairs improperly, the Supplier shall not be liable for the resulting consequences. The same applies to any modifications to the delivery item carried out without the prior consent of the Supplier.

Defects of Title

8. If the use of the delivery item leads to an infringement of industrial property rights or copyrights in Germany, the Supplier shall, at its own expense, generally procure the right of further use for the Customer or modify the delivery item in a manner acceptable to the Customer in such a way that the infringement of property rights no longer exists.

If this is not possible under economically reasonable conditions or within a reasonable period of time, the Purchaser shall be entitled to withdraw from the contract. Under the aforementioned conditions, the Supplier shall also be entitled to withdraw from the contract.

In addition, the Supplier shall indemnify the Purchaser against undisputed or legally established claims of the respective owners of the property rights.

9. The obligations of the Supplier mentioned in Section VI. 8 are, subject to Section VII.2, final in the event of an infringement of industrial property rights or copyrights.

They only exist if

- the Customer informs the Supplier immediately of any asserted infringements of property rights or copyrights,
- the Purchaser supports the Supplier to a reasonable extent in defending the claims asserted or enables the Supplier to carry out the modification measures in accordance with Section VI. 8,
- the Supplier reserves the right to all defensive measures including out-of-court settlements,
- the defect of title is not based on an instruction of the Customer and

- the infringement of rights was not caused by the fact that the Customer has arbitrarily modified the delivery item or used it in a manner not in accordance with the contract.

Used Machines

10. Warranty claims for used machines are completely excluded.

VII. Liability of the Supplier, Limitation of Liability

1. If the delivery item cannot be used by the Customer in accordance with the contract as a result of suggestions or advice culpably omitted or incorrectly provided by the Supplier before or after conclusion of the contract, or as a result of the culpable breach of other contractual ancillary obligations - in particular instructions for the operation and maintenance of the delivery item - the provisions of Sections VI and VII.2 shall apply to the exclusion of further claims by the Customer.
2. The Supplier shall only be liable for damage which has not occurred to the delivery item itself - for whatever legal reasons
 - a. in case of intent and gross negligence,
 - b. in the event of culpable injury to life, body or health,
 - c. in the case of defects which he has fraudulently concealed,
 - d. within the framework of a guarantee commitment,
 - e. in the case of defects in the delivery item, insofar as liability exists under the Product Liability Act for personal injury or property damage to privately used items.

In the event of culpable violation of essential contractual obligations, the Supplier shall also be liable for simple negligence, but limited to reasonably foreseeable damage typical for the contract.

Further claims are excluded.

VIII. Warranty Period

All claims of the Customer - for whatever legal reasons - shall become statute-barred after 12 months; this shall also apply to the statute of limitations for recourse claims in the supply chain according to § 445b para. 1 BGB (German Civil Code), provided that the last contract in this supply chain is not a purchase of consumer goods. The suspension of the statute of limitations under § 445b para. 2 BGB remains unaffected. For claims for damages according to section VII. 2 a-c and e, the statutory periods shall apply. They shall also apply to defects in a building structure or to delivery items that were used for a building structure in accordance with their normal use and caused its defectiveness.

IX. Software use

Insofar as software is included in the scope of delivery, the Customer is granted a non-exclusive right to use the delivered software including its documentation. It is provided for

use on the delivery item intended for this purpose. Use of the software on more than one system is prohibited.

The Purchaser may only copy, revise, translate or convert the software from the object code to the source code to the extent permitted by law (§§ 69a et seqq. UrhG [German Copyright Act]). The Customer undertakes not to remove manufacturer's details - in particular copyright notices - or to change them without the express prior consent of the Supplier.

All other rights to the software and the documentation including the copies remain with the Supplier or the software Supplier. The granting of sub-licenses is not permitted.

x. Applicable law, place of jurisdiction

1. All disputes between the Supplier and the Purchaser arising out of or in connection with these Terms of Sale and any agreements concluded under them shall be governed exclusively by the law of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980 (UN Sales Convention).
2. The place of jurisdiction for all disputes arising from or in connection with these Terms of Sale shall be the court responsible for the Supplier's registered office, insofar as this is legally permissible. However, the Supplier is entitled to bring an action at the Customer's registered office.
3. The place of performance for all deliveries arising from the contractual relationship is D-32602 Vlotho, unless otherwise specified.
4. If any provision of these terms of sale is or becomes invalid, void or unenforceable, the validity or enforceability of all other provisions of these terms of sale or other agreements shall not be affected. Ineffective, void or unenforceable provisions of these Terms of Sale shall be deemed to be replaced by such effective and enforceable provisions that correspond as closely as possible to the economic purpose of the deleted provision.

09/2021

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