

General Supply and Sales Conditions of Hans Weber Maschinenfabrik GmbH, 96317 Kronach / Germany

1. Validity

- 1.1 The party placing the order (hereinafter called the „purchaser“) shall recognise our general business conditions outlined below as solely binding for the entire business connection. On acceptance of the goods, the purchaser shall not forego the possible validity of his own conditions of purchase nor shall such conditions become part of a contract by either our silence or our delivery. There shall be no need on our part to object to conditions of purchase issued by the purchaser, which deviate from our conditions. The purchaser shall deem any such objection as satisfied by the acceptance of goods.
Our general conditions of supply and sales are an important and inseparable part of the contract.
- 1.2 The general conditions of supply and sales shall also apply to other services and to the supply of spare parts or shipments on account of guarantee claims etc.
- 1.3 Our service conditions shall apply additionally to servicing and installation work.
- 1.4 Any other supplementary agreements or deviations require written confirmation by Messrs. Hans Weber Maschinenfabrik GmbH to make them valid.
- 1.5 If deliveries have been effected without order acknowledgement, the invoice and/or the delivery note shall be considered as the order acknowledgement and shall also be considered as based on the general conditions of supply and sales as contained therein and as issued by Messrs. Hans Weber Maschinenfabrik GmbH.

2. Contract Finalisation

- 2.1 The contract is finalised by the despatch of the written order acknowledgement to the purchaser. The order acknowledgement decides extent and processing of the order.
- 2.2 Our quotations are strictly subject to prior sale. They only apply to the country of destination as stated.
- 2.3 The purchaser shall advise us with regard to any legal, official or other regulations especially insofar as those which relate to execution of the shipment, installation, operation, sickness and accident prevention, currency regulations and generally all other official regulations which may restrict export and/or import or may have the effect of delaying or preventing delivery. The purchaser shall provide all necessary local licenses and/or permits in good time. The purchaser shall be responsible for any consequences resulting from the lack of necessary permits and licenses.

3. Drawings and Documents

Quotations, projects and associated drawings, descriptions, illustrations etc. are our intellectual property and must neither be copied nor duplicated or made available to third parties in any manner whatsoever nor must such documents be used without our authorisation for the manufacture of equipment or parts. If no order is placed, such documents shall be returned to us immediately upon our request.

4. Prices and Payment

- 4.1 Unless expressly agreed in writing in individual cases, our prices are ex works, excluding packing, transit insurance, customs duty, freight, and installation.
- 4.2 Taxes, contract fees, stamp duties, export, import and transit charges, custom duties and overheads, official charges and similar expenses shall be borne by the purchaser.
- 4.3 As agreed, list prices as valid on the day of delivery shall apply unless special written agreements with regard to pricing have been made.
- 4.4 Unless agreed otherwise, all payments shall be in EURO (European currency).
- 4.5 Our invoices shall be settled by payment into one of our accounts net cash without any deductions whatsoever. This shall not effect other written agreements.
- 4.6 If payments are delayed outside the agreed deadlines, any amounts thus owed – notwithstanding any other claims for damages – shall be subject to interest 2 % above current European Central Bank rate, but no less than 6 % per annum from due date.
- 4.7 Offsetting of payments on the part of the purchaser or claiming retention rights against demands made by Messrs. Hans Weber Maschinenfabrik GmbH shall be excluded unless such counter-demand has been recognised by Messrs. Hans Weber Maschinenfabrik GmbH or has been established legally by recourse to law.
- 4.8 Letters of credit must be irrevocable and confirmed by a German Bank. Modifications should be possible.
Discountable bills of exchange whose running time must not exceed 90 days shall be acceptable to a limited extent subject to prior agreement by Messrs. Hans Weber Maschinenfabrik GmbH and providing settlement of the invoice takes place within the agreed deadline.
- 4.9 All payments received shall be applied to any earlier – that is to the oldest – debt, even if the payment is intended to cover a particular invoice.
- 4.10 The supplier reserves the right to demand down payments or security or to withdraw from the contract if circumstances become known which make receipt of due payments doubtful. Circumstances of this type shall be deemed to be, among others, unfavourable advice concerning the purchaser as issued by banks or information agencies or when it is known that bills of exchange or cheques have been disputed or similar cases of this type. The purchaser does not have the right to demand to be informed regarding the source of such advice.
- 4.11 Payments which shall be deemed as settlements can only be effected to persons with collecting powers issued in writing by Messrs. Hans Weber Maschinenfabrik GmbH and subject to using printed receipt forms.

5. Content and Extent of Shipment

- 5.1 Our written order acknowledgement shall be the sole valid instrument determining content and extent of a shipment.
- 5.2 Data concerning dimensions, weights, performance and similar specifications as appearing in catalogues, leaflets, advertisements, illustrations, sketches etc. shall only be approximate values and more specifically shall not indicate any guaranteed quality.

6. Acceptance of Shipment

- 6.1 The shipment must be checked under the conditions of the immediate investigation and complaint procedure to which the purchaser is committed in any commercial transaction. Complaints concerning shortcomings are required in Europe within no more than 30 days and in other continents within no more than 60 days after receipt of the goods and in writing. Complaints about shortcomings will only be recognised if it can be proven that the goods were unserviceable before the transfer of risk or if they were of inadequate serviceability.
- 6.2 The purchaser does not have the right to refuse shipments on account of existing shortcomings.

7. Delivery

- 7.1 The delivery period begins with the despatch of the order acknowledgement but not before the documents, permits and licences, releases etc. are obtained and submitted by the purchaser or before receipt of an agreed downpayment.
- 7.2 The delivery period shall be deemed to have been satisfied if the goods have left the plant before the period has elapsed or if readiness to despatch has been advised.
- 7.3 The commitment to deliver shall be deemed as interrupted by force majeure, industrial action, strike or lock-out, unforeseen delivery problems of sub-suppliers, or other unpredictable effects and shall entitle Messrs. Hans Weber Maschinenfabrik GmbH to withdraw fully or in part from the contract unless such interruptions are of a temporary nature only.
In the latter case, the delivery period shall be reasonably extended.

The same shall also apply if similar events take place in the plant or plants of sub-contractors.

The supplier shall not be held responsible if the above circumstances occur during an existing current delay.

The commencement and finalisation of such restrictions affecting delivery shall in important cases be advised to the purchaser as soon as possible.

- 7.4 If despatch is delayed at the request of the purchaser, any costs created by storage shall be chargeable to the purchaser, beginning one month after advice of readiness to ship. This applies when storage is effected in the supplier's plant. Storage costs shall be charged monthly and shall represent at least 2 % of the invoice amount. However,

after setting down a reasonable period and when no events have taken place during this period, the supplier shall also have the right to dispose of the object to be delivered in some other way or to deliver the goods to the purchaser after a reasonably extended period.

7.5 Maintenance of the agreed delivery period assumes that the purchaser has fulfilled his commitments under the contract.

7.6 There is no guarantee for the maintenance of defined delivery deadlines. Such delivery deadlines are intended as an approximate guide only.

8. Retention of Title

8.1 The goods supplied – which may only be sold on by the purchaser under conditions or orderly business practice against payment or under conditions of retention of title – shall remain the property of Messrs. Hans Weber Maschinenfabrik GmbH until all debts arising from the business relationship with the purchaser are settled in full including future debts and the settlement of a possible current account balance still outstanding.

8.2 If goods supplied by Messrs. Hans Weber Maschinenfabrik GmbH are sold on by the purchaser, he shall be deemed to have transferred even at this stage – and until full settlement of all debts arising from the business association between the purchaser and Messrs. Hans Weber Maschinenfabrik GmbH – the title to debts resulting from such sale of goods, including the sale of goods still to be supplied, amounting to the resale price and all other rights, to Messrs. Hans Weber Maschinenfabrik GmbH.

This transfer shall also include payments to which the purchaser is entitled from selling the goods on if these have become part of the current account existing in relation to this customer. In this context, it is of no consequence whether the goods are sold on their own or together with other goods. This requires no special explanations in individual cases. Despite the transfer of title thus existing, the purchaser shall have the right to collect his entitlements from the on-sale of goods supplied by Messrs. Hans Weber Maschinenfabrik GmbH. Messrs. Hans Weber Maschinenfabrik GmbH shall at any time have the right to disclose at their discretion that such transfer of title has taken place. A transfer of debts or the pledging of such debts by the purchaser shall not be permitted.

If the securities, which Messrs. Hans Weber Maschinenfabrik GmbH is entitled to acc. to the conditions above, should exceed our claims by more than 20 %, the assigner is entitled to demand the unblocking of a relevant part of the security interest.

8.3 The purchaser is committed to provide for proper and free-of-charge storage of goods subject to the property proviso and shall also ascertain adequate and orderly insurance. The pledging of the goods or the use of the goods, as security shall not be permitted.

8.4 If goods subject to the property proviso are pledged by third parties at the premises of the purchaser, the pledging party shall be immediately advised of the existing property proviso. Messrs. Hans Weber Maschinenfabrik GmbH shall be advised immediately of such pledging action. All costs arising through such pledging action shall be to the charge of the purchaser.

8.5 If the purchaser does not fulfil his payment commitments in relation to Messrs. Hans Weber Maschinenfabrik GmbH in good time or if circumstances become known which indicate that payments to which Messrs. Hans Weber Maschinenfabrik GmbH are entitled are at risk, as per item 4, Messrs. Hans Weber Maschinenfabrik GmbH shall be entitled to seize goods subject to the property proviso and for this purpose to enter the purchaser's business premises. In the event of seizure of goods, all costs, including that of re-supply shall be to the charge of the purchaser. In cases of this type, the purchaser shall reimburse Messrs. Hans Weber Maschinenfabrik GmbH for any reduction in value even if not caused by him. We reserve the right to claim for consequential damage. In a case of this type, the purchaser shall submit to Messrs. Hans Weber Maschinenfabrik GmbH a list of all the goods held by him under the property proviso issued by Messrs. Hans Weber Maschinenfabrik GmbH. Moreover, Messrs. Hans Weber Maschinenfabrik GmbH shall receive a list indicating the title to transferred debts for goods already sold stating the addresses of debtors and the amounts in question.

8.6 Messrs. Hans Weber Maschinenfabrik GmbH shall be entitled under the property proviso to check for the presence of goods at any time and for this purpose to send a representative who shall have access to the appropriate storage areas at the purchaser's premises. Goods sold under an extended property proviso shall entitle Messrs. Hans Weber Maschinenfabrik GmbH to a sight of the books.

9. Transfer of Risk and Despatch

9.1 All shipments including return shipments shall be at the risk of the purchaser. Delivery is effected ex works, unpacked, customs duty unpaid and uninsured.

9.2 Messrs. Hans Weber Maschinenfabrik GmbH shall have the right to choose the method of despatch. If the purchaser requires a particular method of despatch, any costs thus arising shall be chargeable to him.

9.3 At the purchaser's request and at his expense, the shipments can be insured by the supplier against theft, breakage, transit, fire and water damage, as well as other insurable risks.

9.4 The purchaser carries the risk of damage in transit, theft, fire, and water.

9.5 Irrespective of the above special arrangement, the risk of the shipment is transferred to the recipient when the goods are handed to the shippers or delivery agents. Messrs. Hans Weber Maschinenfabrik GmbH do not hold themselves responsible for loss or damage in transit. The same also applies to shipments despatched free of freight charges. Messrs. Hans Weber Maschinenfabrik GmbH shall not be deemed responsible for insurance unless this has been expressly agreed.

9.6 If despatch is delayed at the request of the purchaser, the risk is transferred to the purchaser at the day of readiness to ship, that is to say, throughout the delay period.

9.7 Part shipments are acceptable. The above regulations shall also apply in the case of part shipments.

10. Liabilities and Shortcomings

10.1 Liability for shortcomings will only be accepted in relation to proven manufacturing and material faults. At the discretion of Messrs. Hans Weber Maschinenfabrik GmbH, such faults can be rectified by supplying replacements or by repairing after free-of-charge return of goods to the maker's plant or to some other address to be nominated by Messrs. Hans Weber Maschinenfabrik GmbH.

10.2 Complaints with regard to shortcomings shall be submitted in Europe within 30 days and in other continents within 60 days from receipt of goods and in writing. Complaints concerning shortcomings will only be recognised if it can be proven that the goods were unserviceable prior to transfer of risk or that their serviceability had been considerably curtailed. The right of the purchaser to make claims in respect of shortcomings shall be subject to statute of limitations within 12 months after carrying out of the delivery.

10.3 Cancellation and abatement shall hereby be excluded. Appropriate repairs shall be agreed instead. For the purpose of such repairs, the purchaser shall allow Messrs. Hans Weber Maschinenfabrik GmbH the necessary time and/or opportunity. Should the purchaser refuse time or access, Messrs. Hans Weber Maschinenfabrik GmbH shall be released from their commitment to repair faults.

If faults cannot be rectified within a reasonable period, the purchaser shall have the right to withdraw from the contract. Any further claims for damages or lost profit will not be entertained unless it can be proven that Messrs. Hans Weber Maschinenfabrik GmbH acted intentionally or with gross negligence.

10.4 No guarantee is given for damage arising for the following reasons:

- unsuitable or inexpert utilisation,
- faulty installation or starting-up by the purchaser or third parties,
- natural wear and tear,
- faulty or careless treatment,
- use of non-WEBER spare parts
- unsuitable operating aids, replacement tools,
- inadequate building, unsuitable foundation,
- chemical, electrochemical or electrical effects unless the above can be proven to be supplier's fault.

10.5 Messrs. Hans Weber Maschinenfabrik GmbH is pointing out, that the above mentioned guarantee terms shall not apply to wear parts. Wear parts are especially: Screws, barrels, and heating elements for extruders. For sanding machines all parts covered with rubber, e.g. conveyor belts and contact shafts, all pressure elements bringing the sanding parts and tools in contact to the parts to be worked on.

10.6 Only in urgent cases, i.e., when working safety is at risk and to prevent disproportionately serious damage, shall the purchaser have the right to rectify a fault himself or to have such fault rectified by a third party. In cases of this type, he must immediately inform Messrs. Hans Weber Maschinenfabrik GmbH and obtain their agreement to proceed. The purchaser shall in this case be entitled to reimbursement of costs.

10.7 Of the direct costs caused by a repair or the supply of spares, the supplier shall bear – insofar as the complaint is found to be justified – the cost of the replacement part including despatch free German border as well as reasonable costs for removal and fitting and, in addition, if this can reasonably be expected in accordance with a particular situation, the cost of providing his own service engineers and assistants. All other costs shall be borne by the purchaser.

10.8 The purchaser shall have no other claims, and especially claims for damages not arising directly from the goods supplied shall be excluded.

This also applies to claims for damages or withdrawal from the contract on account of delayed delivery. Such claims shall be excluded unless gross negligence on the part of the supplier can be proven.

- 10.9 The supplier shall not be committed to the rectification of shortcomings in accordance with the above rulings for as long as the purchaser has not settled outstanding payments.
- 10.10 The above mentioned limitations of liability do furthermore not apply in those cases, when liability is carried out according to the product liability law for faults of the goods leading to personal or property damage to privately used parts.

11. Place of Performance and Legal Domicile

- 11.1 The premises of Messrs. Hans Weber Maschinenfabrik GmbH D-96317 Kronach shall hereby be agreed in writing as the place of performance applicable to all deliveries. The exclusive legal domicile in the event of litigation shall be the Landgericht (county court) of Coburg, Germany.
- 11.2 As far as hortatory procedures are concerned, it is hereby expressly agreed in writing that the Amtsgericht (lower court) of Kronach, Germany, shall be responsible for such proceedings in accordance with paragraphs 688 and following ZPO (German law).
- 11.3 German law shall apply. The application of UN-Law on International Sales (CISG) dd. 11.04.1980 is excluded.
- 11.4 In case of doubt, it is the German language version of the general conditions for supply and sales of the export machinery, which shall apply.

12. Validity

Should certain individual rulings be ineffective legally, this does not affect the validity of the remaining rulings. In a case of this kind, the ineffective ruling shall be replaced by that acceptable ruling which comes closest to the economical content.

These general conditions of supply and sale shall come into force on the 1st of January 2014, in place of the earlier general conditions of supply and sale.

January 2014