

Terms of delivery of WEINIG VERTRIEB UND SERVICE GMBH & CO. KG

1. Scope

1.1. These terms and conditions shall exclusively apply to all our deliveries and performances (hereinafter "Performances") as well as for future contracts. They may be amended by ourselves for future contracts. Terms and conditions to the contrary shall be null and void, even if we do not expressly object to them; they shall only be valid if in the individual case they are explicitly acknowledged by ourselves in writing. Besides the invalidity of individual provisions shall not affect the validity of these terms and conditions.

1.2. Our terms and conditions for assembly and repair shall apply to the assembly, repair and acceptance to the extent they are attached to the acceptance of the order or the delivery.

1.3. Our Terms and Conditions of Sale and Delivery shall only apply to business people for the purpose of sect. 1 et seq. HGB (German Commercial Code)

2. Conclusion of contract, documentation and information

2.1. Our offers shall be subject to alterations. Unless we acknowledge the order in writing, the contract shall materialize at the latest with the execution of the delivery. In this case the delivery note shall serve as acknowledgement of the order. Our written acknowledgement of the order shall be exclusively decisive for the type and the extent of our delivery.

2.2. We reserve the proprietary right and copyright to illustrations, offers, drawings and other documents, they may only be disclosed to third parties with our consent. Drawings and other documents belonging to offers shall be returned on demand and in any case if the order is not awarded to us. If the Customer violates these obligations, he/she shall pay a contract penalty of EURO 5,000 unless he/she is not responsible for the violation of the obligation. We reserve the right to assert additional claims for compensation.

2.3. The Customer shall be obliged to make available to us the information required to handle the order, such as type, quality, composition and dimensions of the undressed timber, the intended production and capacity, intended integration in mechanization and production plants, planned energy as well as safety and function elements, etc. The Customer shall also be obliged to make available in sufficient quantity and free of charge test materials, energy, raw materials, auxiliary and operating materials up to the end of the start-up.

To the extent we delivered objects according to drawings, models, patterns or other documents provided to us by the Customer, the Customer shall guarantee that these do not violate any proprietary rights of third parties. If third parties particularly forbid us the production and delivery of such objects with reference to such proprietary rights, we shall be entitled - without being obliged to check the legal situation - to discontinue any relevant additional activity and raise a claim for compensation pursuant to sect. 280 BGB (German Civil Code). The Customer shall also commit itself to immediately indemnify ourselves against all claims of third parties in connection with the documents provided by itself.

2.4. Any verbal agreements or telephone agreements made with our employees prior to or during the conclusion of the contract to the extent they have not been granted a relevant power of representation shall require the written acknowledgement by ourselves in order to become effective.

2.5. Even after the conclusion of the contract any verbal amendments and supplements have to be acknowledged in writing by ourselves.

3. Delivery time and delivery

3.1. Even if we agree with the Customer upon a delivery time, it shall only be deemed approximate unless we have expressly acknowledged an agreed delivery time as "fixed". An acknowledged delivery time shall be subject to the fact that we ourselves obtain correct, complete and timely supplies. We shall communicate any looming delays as soon as possible. Unless otherwise agreed, the delivery time is met if up to its expiration the delivery item has left our plant or we informed the Customer that it is ready for shipment. The delivery time shall not start to run as long as the Customer has not properly met its obligations, e.g. providing technical data and documents, approvals as well as, depending on the agreement, a down-payment or handing over a payment guarantee.

3.2. If the Customer does not meet these commitments within a reasonable deadline set by ourselves, we shall be entitled to repudiate the contract and demand a compensation set down as a lump sum and amounting to 25% of the purchase price; the right to put forward a potentially higher claim for damage shall be unaffected thereby. The Customer shall be entitled to prove that a damage did not occur or is essentially lower than the lump sum. Any alterations of the contract or of the terms and conditions after the conclusion of the contract will only be carried out by ourselves with a new delivery time, if we accept them and acknowledge them.

3.3. All temporary obstacles to our Performance dependent on force majeure shall exempt us for the duration of their existence from the accepted delivery commitment. This shall also apply if other unforeseeable obstacles to our Performance exist that we are not responsible for, particularly in case of fire, floods, measures of industrial disputes, lack of energy and raw materials or measures taken by the authorities. We will communicate the start and end of such circumstances as soon as possible.

3.4. Part deliveries are permitted to the extent they are acceptable for the Customer.

3.5. The goods shall travel at the Customer's risk independent of the place of its shipment. This shall also apply if the start-up has been agreed by contract. If the goods are ready for shipment and the shipment or acceptance are delayed for reasons we are not responsible for, then the risk is passed to the Customer upon the arrival of the notification that the goods are ready for shipment. Unless otherwise agreed with the Customer the above regulations on bearing the risk shall also apply if we bear the transportation costs.

3.6. Provided that the Customer so desires we shall cover the shipment by a transport insurance, the costs accruing for this purpose shall be borne by the Customer.

3.7. If the Customer suffers a damage on account of a delay that is provably our fault, the Customer may notwithstanding section 7 claim a compensation for the delay. For every full week of the delay it amounts to 0.5%, but in total to a maximum of 5% of the value of such part of the total delivery that as a result of the delay cannot be used in time.

3.8. Unless otherwise agreed with the Customer it shall be the Customer's responsibility to raise the claims against the carrier that we assigned.

3.9. In case of an application to open insolvency proceedings, the filing of a statement in lieu of an oath pursuant to 807 ZPO [Code of Civil Procedure], arising financial difficulties or if we after the conclusion of the contract become aware of an essential deterioration of the Customer's financial circumstances, we shall be entitled to immediately discontinue deliveries and refuse to perform current contracts so far as the Customer does not provide valuable consideration or upon our request furnishes adequate security.

4. Right of use of software programs

4.1. At software programs and at the corresponding documentations the customer is granted a non-exclusive right of use for the contractual use. The contractual use is limited to the products for which the programs and documentations are delivered. The software may only be installed for one product at a time. The warranty claims of the customer do not cover the software programs the customer is altering or the ones it does not use in conformity with the contract unless the customer proves that this use is not the reason for the reported deficiencies. All the other rights concerning software, programs and documentations including the copies and later supplements continue to remain with us. The customer is only entitled to produce copies for its own archiving purposes, as backup copies or for error tracking. The software is exclusively provided in the machine-recognizable binary code. The assignment of source programs requires our particular written agreement.

4.2. At the reverse transaction of underlying contracts between the customer and ourselves as well as in case of offenses of the customer against his obligations defined in this paragraph we are entitled to deny the customer the further use of programs and documentations.

5. Prices and payment

5.1. Unless otherwise agreed with the Customer delivery and invoicing shall be carried out at the prices and terms and conditions valid at the day of the conclusion of the contract. Our quotations do not include any taxes, duties, banking charges or similar charges and/or fees potentially connected with the conclusion or performance of the supply contract. If we become involved in any such charges in any way when performing the supply contract, the Customer shall be obliged to reimburse such charges. In any case our quotations do not include turnover tax or in case of deliveries within the European Community or export deliveries any purchase tax or turnover tax on imports. Turnover tax, purchase tax or turnover tax on imports follow the tax rate valid at the day of the delivery and/or customs clearance of the state entitled to impose the tax and, if applicable, will be billed separately. Any changes in the costs for raw materials, wages, energy, etc. not foreseen by us and for which we are not responsible shall entitle us to corresponding adjustments of the prices. Costs for packaging and transport shall be billed separately. We shall determine at our own discretion the type of shipping, the shipping route, means of transport, carrier, port of shipping or border crossing point. Unless otherwise agreed, we shall be free to deliver ex factory or ex branch.

5.2. All the payments by the Customer shall be effected in Euro.

5.3. Unless otherwise offered by ourselves our bills of sale shall be immediately due and be paid net (without any deduction) within 14 days after the billing date. For every demand for payment - except the first demand stating the reasons for the delay - we shall bill the Customer Euro 5.00 unless the Customer proves that no damage has been created at all or is considerably lower than the lump sum. We reserve the right to raise additional claims for compensation.

5.4. The deduction of cash discounts requires specific written agreements.

5.5. Bills of exchange and checks will only be credited with the proviso of the correct receipt of the full amount. We reserve the right to accept third-party or own bills of exchange. Costs and discount charges shall be on the Customer's account. We do not guarantee for presentation and protest. Entering a protest against the Customer's own bills of exchange or failing to cover any protested third-party bills of exchange immediately empower us to return all the bills of exchange still in circulation. At the same time all our outstanding amounts shall become due and payable. Postdated checks will not be accepted.

5.6. The day when the amount is available to us or is credited to our bank account shall be considered the day of receipt of the payment. The risk of the mode of payment shall be borne by the Customer.

5.7. In case of delay in payment by the Customer we shall also be additionally entitled to call in at our own discretion any remaining still outstanding purchase price installments or other claims still existing against the Customer as well as making further performances under this contract or other contracts dependent upon furnishing previous security or payment concurrent with delivery.

5.8. If the Customer fails to comply with our request for prepayment or furnishing security within a reasonable time-limit, we shall be entitled to declare the contract void and raise a lumped claim for compensation amounting to 25% of the purchase price; unaffected thereby shall be the right to raise a claim for a potentially higher actual damage. The Customer shall be permitted to prove that a damage did not occur or is considerably lower than the lump sum.

5.9. The Customer shall only be entitled to the setoff and retention of payments if its counterclaim is uncontested by ourselves and is final and absolute.

5.10. Payments with the effect of repaying debts may only be made to the account stated by ourselves when the bill of sales was issued. Our employees or sales representatives do not have any collection authority.

6. Warranty

6.1. The Customer shall only be entitled to warranty claims if the Customer has properly met its legal obligations to examine and lodge complaints.

6.2. The Customer shall only be entitled to claims for compensation on account of a warranted feature or quality if granting a warranty should protect the Customer exactly against the occurred damage. Other claims for compensation under the warranty with the exception of damages resulting from injuries of life, body or health we, our legal representatives or persons employed in performing an obligation are responsible for shall be excluded if we, our legal representatives or persons employed in performing an obligation are charged with slight negligence unless it is the case of foreseeable typical damages resulting from the violation of essential contractual duties; not excluded shall be any claims for compensation if we, our legal representatives or persons employed in performing an obligation are charged with intent or gross negligence.

For products we deliver as new goods as agreed the warranty period amounts to 1 (one) year upon the receipt of the goods. If products sold by us have not explicitly been intended for multiple shift operation, the warranty period in two shift operation shall be reduced to 6 (six) months, in three shift operation to 3 (three) months. There is no warranty for any products we do not as agreed deliver as new goods. The provision concerning the warranty period shall not apply to claims for compensation if we did not exclude or did not limit the liability. Cure period measures by ourselves do not let the warranty period start again; any potential delay by the supplementary performance, however, continues to be unaffected.

6.3. If a defect of quality exists we are responsible for, the Customer shall at first have a claim for the rectification of faults. If the rectification of faults fails, the Customer shall be entitled to demand a substitute delivery. If we do not comply with the request for a substitute delivery after a reasonable period set by the Customer, then the Customer shall be entitled to either at its own discretion rescind the contract or demand the reduction of the purchase price. In case of only slight defects the Customer shall not be entitled to rescind the contract. The regulations under 6.2 shall apply to claims for compensation. In case of

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short deliveries the Customer shall at first be entitled to substitute delivery. Sentence 3 and 5 apply appropriately.

6.4. Upon our request faulty items or parts shall be sent back to us carefully packed and insured for the transport at our expense.

6.5. Our statements about the delivery and performance item, the intended use, such as measurements, weights, hardness, values in use are only descriptions or characterizations, respectively, and not any guaranteed properties, they shall only be considered approximate. Unless otherwise agreed any deviations customary in the industry remain reserved. Guaranteed properties must be expressly and in detail identified as such in writing. As far as technically possible deviations from samples or former deliveries will be avoided. We reserve the right to alterations within the scope acceptable for the Customer, particularly when serving technical progress and to the extent the delivery item is not considerably altered. Only considerable alterations shall establish a warranty claim pursuant to 6.2.

6.6. The Customer shall not be entitled to any warranty claims in case of: natural wear; damages caused by force or use of unsuitable lubricants or operating material; non-observance of the stipulated machine maintenance and/or instructions for use by the Customer or third parties; faulty assembly and/or start-up by the Customer or third parties; faulty or insufficient maintenance by the Customer or third parties; unsuitable floor spaces; unauthorized repairs or alterations carried out by the Customer or third parties; influences by the elements; unusual outside influences (e.g. high humidity); abnormal fluctuations of the electrical voltage; in case of interventions carried out by personnel or enterprises not acknowledged by ourselves; using spare parts not produced or approved by ourselves. To the extent faults were only made worse by the activities described above, our obligation under the warranty shall be limited to the extent of a potentially existing original fault.

6.7. The Customer shall be obliged to observe at its own expense the rules of occupational safety and occupational hygiene as well as the legislation at the location of the machine.

7. Liability

7.1. Any claims for compensation that are not based on the Customer's warranty rights, independent of what type or on what legal basis, against us, our legal representatives, persons employed in performing an obligation or staff shall be excluded unless it is a matter of foreseeable typical damages caused by the violation of essential contractual duties or the damages are based on intentional and/or grossly negligent breaches of duty by ourselves, our legal representatives or persons employed in performing an obligation. The essential contractual obligation of purchase or work contracts is the delivery or, respectively, the manufacture of a faultless subject matter of the contract as well as its transfer of ownership to the customer. Unaffected by this exclusion of liability shall be claims for compensation based on the injury of life, body or health we, our legal representatives or persons employed in performing an obligation are responsible for.

7.2. This liability regulation shall also apply to our consulting in words and in writing and by experiments or in any other way; the Customer is particularly not exempt from testing itself the suitability of the delivery for the intended use.

8. Retention of title

8.1. We reserve the title to ownership for all the goods delivered by ourselves until all existing claims, inclusive of incidental claims, we hold against the Customer from our business relationship have been paid and the bills of exchange and checks handed over for them have been honored and cashed. This shall in addition also apply to claims arising in the future.

8.2. We shall be entitled to take possession of the conditional commodity if the Customer defaults on discharging the claims existing against him from the business relationship. We shall be entitled to demand the immediate surrender of the conditional commodity excluding any right of retention unless there are counterclaims established in a legally effective way and undisputed. We shall be entitled to sell the goods taken back by private contract in the best possible way after having threatened the realization and credit the proceeds whilst deducting the costs for the realization.

8.3. The Customer shall be obliged to handle the purchased goods with care, the Customer shall be particularly obliged to carry out maintenance and inspection work in time and at its own expense and insure the purchased goods at its own expense sufficiently against fire, water and theft damages at their replacement value. Any claims against the insurance resulting from an event of damage concerning the conditional commodity will already now be assigned to us in the amount of the value of the conditional commodity. The Customer shall inform the insurance company about the assignment of the claim.

8.4. The Customer shall inform us without delay about any seizure or every other encroachment on our titles by third parties and shall confirm the title in writing to third parties as well as to ourselves. The Customer is forbidden to arrange any pledging of the goods delivered under the retention of title or carry out a transfer of ownership for the purpose of security.

8.5. Processing and machining of the conditional commodity are done for us as manufacturers for the purpose of section 950 BGB without committing ourselves. The processed and machined commodity shall be considered conditional commodity for the purpose of these conditions.

8.6. In case of joining, mixing or blending the conditional commodity with goods not belonging to us (sections 947, 948 BGB) we shall be entitled to the co-ownership of the new item or total quantity in relation to the value our conditional commodity had at the time of joining, mixing or blending in comparison to the value the other joined, mixed or blended commodity had. If the Customer acquires the sole ownership of the new thing, the parties hereto agree that the Customer shall grant us joint ownership of the new thing or total quantity in relation to the value of the processed and/or joined, mixed or blended conditional commodity to the total value of the new thing or total quantity. The conditional commodity created thereby shall be considered conditional commodity for the purpose of these provisions. The Customer shall hold it with commercial care in safe custody for us and agrees to make the statements necessary for the exercise of rights and to grant us the inspection of its books and records for this purpose.

8.7. The Customer shall be entitled to resell the conditional commodity in the ordinary course of business. The use for the performance of contracts for work or work performance contracts by the Customer shall be equal to the resale. The Customer's receivables resulting from the resale of the conditional commodity shall already now be assigned to us with all the secondary rights, to be precise independent of the fact whether the conditional commodity is resold without or after processing, working, joining or mixing or whether it is resold to one or several buyers. If the assigned receivable against the third-party debtor has been included into a current account, then the agreed assignment shall also refer to claims from the current account. The assigned receivables serve to secure all our rights and claims pursuant to 8.1.

8.8. For the case that the conditional commodity is sold by the Customer together with other goods after joining, mixing, processing or working, the assignment of the purchase

price claim to ourselves pursuant to 8.7 in the amount of the contractual price of the conditional commodity shall be regarded as agreed. If the Customer together with the sale of the conditional commodity provides a service connected with it and if the Customer does not make any distinction between the conditional commodity and the service on the bill of sales issued to the buyer, therefore billing an overall price, then this overall price shall be assigned to us in the amount of our sales price.

8.9. If the conditional commodity is used by the Customer to perform a work or work performance contract, the receivable from the work or work performance contract shall be assigned to us in advance to the same extent as it is provided under 8.7 and 8.8.

8.10. In spite of the assignment the Customer shall be entitled to collect the receivables from the resale. Our collection power shall remain unaffected by the Customer's delegated collection authority. We, however, will not collect the receivables ourselves as long as the Customer properly fulfills its payment obligations towards us. We shall be entitled to revoke with immediate effect the Customer's power to resell the conditional commodity and to collect the receivables assigned to us if the Customer gets into default in payment to us or if the Customer is in a shortage of liquid funds on the ground of an essential deterioration of its financial circumstances. If an application is made to open insolvency proceedings on the assets of the Customer, if any payment is suspended, a declaration in lieu of oath is made pursuant to section 807 ZPO or if in connection with financial difficulties there is a change in the ownership of the Customer's enterprise, then the power to resell the conditional commodity and the authorization to collect the receivables assigned to us in relation to the conditional commodity shall automatically expire. If we revoked the powers of the Customer to resell the conditional commodity or if they expired automatically, then the Customer shall be obliged to immediately return the conditional commodity to us and provide ourselves or any entity authorized by us with the direct ownership of it. In this connection the Customer shall be obliged to communicate to us the assigned receivables and their debtors, provide all the details required for the collection, to hand over the appropriate documents and to inform the debtors about the assignments. All the costs caused by again taking possession of the conditional commodity shall be borne by the Customer.

8.11. The retention of title pursuant to the above provisions shall also survive if any individual receivables of ours are included into a current account and the balance is struck and accepted. The retention of title shall then cover the claim for the balance of the current account balance.

8.12. The retention of title pursuant to the above provisions shall expire if all the receivables mentioned under 8.1 have been discharged. With it the ownership of the conditional commodity passes to the Customer and it is entitled to the assigned receivables.

8.13. If the realizable value of all the collateral security exceeds the total of our receivables by more than 10%, then we shall be obliged upon the Customer's request to release collateral securities at our option

9. Remote diagnosis

9.1. If within the scope of the warranty the customer reports a deficiency of the delivered products we switch for the purpose of the system analysis into the control system of the relevant product by means of remote access. The customer allows and grants us the system analysis by the remote access to the control system of the relevant machine by opening a corresponding connection and/or access opportunity. Since the connection is opened by the customer, the safety of the connection is within the responsibility of the customer.

9.2. For the system analysis all the data from the control system are copied, backed up and analyzed by ourselves in order to backup the relevant data. Among them are especially engine-hour indicators, produced units, system parameters, machine setting and release status of the software. Personal data are not conveyed.

9.3. For the removal of faults we reserve the right to alter system parameters or bring in maintenance releases in order to improve the functionality of the control software.

9.4. After the conclusion of the fault tracking and/or removal we archive at ourselves the data copied out of the control system for the purpose of protection and documentation. The data are used anonymised for the statistical evaluation. If the customer objects to the archiving of the data out of the control system we delete the relevant data after the expiration of the warranty period for this machine.

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

10.1. Unless the acceptance of the order or the delivery note show something different the domicile of our company shall be place of performance.

10.2. For all the claims resulting from the business connections, particularly from our deliveries, the place of jurisdiction shall be Tauberbischofsheim. This place of jurisdiction, existing predominantly also for the default summons, shall also apply to any disputes about the creation and validity of the contractual relationship. We shall, however, be entitled to also sue the Customer at the courts competent for the Customer's domicile. If the Customer has its domicile outside the Federal Republic of Germany, we shall also be entitled at our option to have any disputes resulting from the contract or about its validity finally decided according to the Settlement and Arbitration Code of the International Chamber of Commerce, Paris by one or several arbitrators appointed in accordance with this Arbitration Code excluding the ordinary jurisdiction. The arbitration court shall have its domicile in Tauberbischofsheim.

10.3. The law of the Federal Republic of Germany shall exclusively apply. The application of the Standardized UN Purchase Law (Convention of Contracts for the International Sale of Goods) shall be excluded.

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