

» **Maschinenfabrik Möllers GmbH**
General Terms and Conditions of Sale,
Delivery and Installation

The following terms and conditions apply only to persons who, in concluding the contract, are exercising their commercial or independent professional activity (entrepreneurs) and to legal persons under public law and to special funds under public law.

1. Applicable terms and conditions

All our deliveries and services are subject to the following terms and conditions, and to any separate contractual agreements. Other terms and conditions of purchase and business of the purchaser, which we have not expressly acknowledged in writing, are not valid.

2. Quotation

Our quotations are subject to change without notice, unless otherwise stated in writing by the parties.

3. Content of the contract

3.1 - Our written order confirmation shall prevail with regard to the scope of our deliveries and services, where we have given a binding quotation and this has been effectively accepted. In the event that there are contradictions and/or conflicts with the provisions of the order text, our order confirmation shall always prevail. Any changes and/or ancillary agreements must be agreed by the parties promptly, separately and in writing.

3.2 - Our product information and other documents, such as illustrations, drawings, sketches and dimensions are not part of the contract and are – as approximate values customary in the relevant sector – only approximately applicable, unless we have specified that they are binding. If, after the submission of the quotation and in the course of constant technical development, changes are made to the products, we are permitted to deliver the technically modified version. In this respect, we are entitled to deviate from the illustrations, drawings, descriptions, or from the colour, dimension, weight, quality or other specifications, insofar as such deviations are reasonable for the purchaser, taking into account the interests of both parties. The purchaser is obliged to indicate to us when placing an order if we are not permitted in any case to deviate from the specifications and requirements.

3.3 - The purchaser shall, at its own expense, obtain the authorisations required for the implementation and operation of the delivery items. If we help the purchaser to obtain such authorisations, then the purchaser shall bear the expenses incurred by us.

3.4 - The purchaser shall provide sufficient quantities of the fluids required for the installation and operation of our delivery, and in the form and quality specified by us, at its own expense.

3.5 - Prior to contract conclusion, the purchaser is obliged to provide us – upon request and without charge – with a sufficient number of original sample products. In particular, the purchaser warrants that it will deploy suitable “automatic-processing” bag materials, free-flowing products, suitable packaging film and suitable pallets which can be rolled. The purchaser warrants that the materials to be processed are goods which can be stacked, palletised and/or transported. Hazardous goods / additives in the materials to be processed must be explicitly indicated by the purchaser. In this respect, the purchaser likewise guarantees that the actual dimensions of the goods permit correct packing patterns and stacking. The purchaser shall ensure that the material feeding (bags, pallets, cardboard sheets etc.) is continual and on time. Unless the order confirmation expressly states other temperature ranges, our systems and components are designed for ambient temperatures from +5°C to +35°C.

Unless the order confirmation contains an express description of the scope of documentation, we will supply two copies of the following documents in German (or English): layout plan, electrical documentation, operating instructions, performance requirements, spare part lists on data carriers or Cloud.

3.6 - If our scope of supply includes software, we grant the purchaser a non-exclusive right to use the supplied software, including the related documentation. Such documentation is delivered for the purpose of the use of the intended delivery item. Use of the software on more than one system is prohibited.

Only to the extent permitted by law (Sections 96a et seq. of the German Copyright Law) may the purchaser copy, revise or translate the software, or convert its object code into the source code. The purchaser undertakes not to remove the manufacturer’s details – in particular copyright notices – nor to amend them without our prior express consent. The purchaser may make two back-up copies.

All other rights to the software and the documentation, including copies, remain with us or the software supplier. The granting of sublicences is not permitted.

3.7 - In the case of longer-term storage and/or downtime, the purchaser undertakes to adhere to the storage and mothballing guidelines usually applicable to the systems components supplied by us.

4. Reservation of export licences

To the extent that we are to deliver goods abroad, the relevant quotations and order confirmations occur only under the condition precedent that any requisite export licences are issued by the competent authorities.

5. Copyright and confidentiality

We reserve the property and copyrights to samples, cost estimates, drawings, models, templates and similar information of a tangible and non-tangible nature, including in electronic form (*the "Information"*). The Information may only be used for the jointly pursued purposes and may not be made accessible to third parties. This obligation starts from when the Information is received, and ends 36 months after the end of the business relationship. Copies or other reproductions may only be made for the agreed purpose. Neither originals nor duplicates may be handed over to third parties, or made otherwise accessible to them. We undertake to make accessible information designated as confidential by the purchaser only with the consent of the latter.

6. Pricing

Our prices are generally given in euros, ex works (including loading at the works), but exclude VAT, packaging, freight, insurance and other costs. VAT at the statutory rate is to be added to the prices, where such tax is applicable. If the order includes packaging, this is invoiced by us at cost price; only if we have given prior consent may such packaging be returned to us within the scope of the German Packaging Ordinance, or the costs of disposal assumed. All costs incurred through the inspection and acceptance of the goods, as well as any fees and costs of legalisation – in Germany and/or abroad – shall be borne by the purchaser.

7. Terms of payment

7.1 - Unless otherwise agreed, payment is to be made net, without any deductions, to our appointed paying agent following the receipt of the invoice. All invoices are payable within 10 days (domestic) or 30 days (foreign), against the simultaneous submission of the relevant duplicate waybills and/or other determined payment documents, or within a letter of credit.

7.2 - Bills of exchange are accepted by way of payment only after prior written agreement. Discount charges will be calculated by us, regardless of the date of acceptance of the bill of exchange, as from the due date of the claim. We undertake no guarantee of timely collection or timely protest. If bills of exchange or cheques are not credited in good time by the drawee, then all other existing claims on our part vis-à-vis the purchaser will become due at this time. Other existing due dates for payment will expire. The same applies in the event that a claim is not paid when due.

7.3 - In the event of default in payment, we may charge interest of 8 percentage points above the base interest rate of the European Central Bank, and of at least 11% in any case. The right to prove higher damages remains reserved. We may charge 10 euros for

each reminder. In the event of default in payment, we may – after sending the corresponding notice to the purchaser – discontinue the fulfilment of our obligations until payment is received.

7.4 - The purchaser is entitled to withhold payments or to offset them against counterclaims only insofar as they are undisputed or legally established. If after the conclusion of the contract it becomes apparent that our claim for payment is endangered by the purchaser's lack of solvency, e.g. if our commercial credit insurance company refuses to secure claims against the customer in full, then we may refuse performance and set the purchaser a reasonable period within which it must pay or provide security on a delivery-versus-payment basis. In the event that the purchaser refuses this, or the period set expires without success, then we are entitled to withdraw from the contract and to claim damages.

8. Delivery date – Delayed delivery

8.1 - The delivery period or delivery date is binding only if it is referred to in our order confirmation. Unless otherwise agreed, we deliver "ex works".

8.2 - The delivery period begins at the earliest with the dispatch of the order confirmation, though not before the following have been received/performed: purchaser-authorized drawings, releases of documents to be obtained, approvals, the information necessary for order execution, the clarification of all commercial and technical queries between the contracting parties as well as the fulfilment of all of the purchaser's obligations (e.g. the payment of any agreed advance payment or of any due payments from previous deliveries).

8.3 - Delivery by us is subject to the caveat of us being supplied. If we are not supplied appropriately, we shall immediately notify the purchaser thereof. If we are not appropriately supplied, the purchase contract is deemed not to have been concluded. We do not assume any procurement risks. If the non-observance of a delivery time is due to force majeure, labour disputes or other events outside of our sphere of influence, the delivery time shall be extended accordingly. This also applies if such circumstances arise at subsuppliers. We will notify the purchaser of the beginning and end of such circumstances as soon as possible. The aforementioned circumstances are also not our responsibility if they arise during an already existing delay.

8.4 - The delivery period or delivery date is deemed to have been met if the delivery item has left the factory before the expiry of the period/date, or if readiness for shipment has been communicated in good time. Insofar as acceptance is to occur, the date of acceptance is deemed to be decisive – except in the case of a

justified refusal of acceptance – or alternatively the date of notification of readiness for acceptance.

8.5 - The purchaser may withdraw from the contract without notice if it becomes definitively impossible for us to effect the entire performance before the transfer of risk. Furthermore, the purchaser may withdraw from the contract if a part of the delivery cannot be executed, and the purchaser has a legitimate interest in rejecting the partial delivery. If this is not the case, then the purchaser must pay the contractual price due for the partial delivery. The same shall apply in the event of our inability to perform. Section 13.2 applies in all other respects.

8.6 - If we are delayed in our performance and the purchaser suffers demonstrable damage as a result, then the purchaser is entitled to demand a lump sum compensation for the delay. This will amount to 0.5% for each week of delay, though may not exceed 5% of the value of that part of the entire delivery which, due to the delay, cannot be delivered in good time or cannot be used in accordance with the contract. If, when we are delayed in our performance, the purchaser grants us – taking into consideration the statutory exceptions – a technically appropriate, jointly agreed deadline for performance, and we do not keep to this deadline, then the purchaser is entitled to withdraw from the contract within the scope of the legal regulations. Further claims arising from delayed delivery are governed exclusively in accordance with Section 13.2 of these terms and conditions.

8.7 - If the dispatch or acceptance of the delivery item is delayed for reasons attributable to the purchaser, then we may charge the latter for the costs incurred due to the delay, beginning one month after the notification of readiness for dispatch or acceptance. This charge will however be at least 0.7% of the invoice amount for each month. At the same time, all of our deliveries and services provided to that point will become payable. We are however entitled – after a reasonable deadline has been set and has expired in vain – to other dispositions of the delivery item, and to supply the purchaser subject to a reasonable, extended deadline.

8.8 - Partial deliveries are permitted to a reasonable extent. They are invoiced separately.

9. Receipt – Acceptance – Transfer of risk

9.1 - The risk is transferred to the purchaser – also in the case of carriage-paid delivery – at the latest when the delivery item has left the factory, even if partial deliveries are made or if we have taken on other services, e.g. shipping costs or delivery and installation. Insofar as acceptance is to occur, this shall be decisive

with regard to the transfer of risk. Acceptance must be performed immediately by the acceptance date, or alternatively following our notification of readiness for acceptance. The purchaser may not refuse acceptance in the event that there is a minor defect. We are entitled to insure all deliveries against damage in transit, at the expense of the purchaser. If, when it arrives at the purchaser's premises, the delivery exhibits damage from the transit, or if such damage is discernible at a later date, then the purchaser must immediately demand a written factual report from the freight carrier.

9.2 - If dispatch or acceptance is delayed or does not take place due to circumstances which are not attributable to us, then the risk is transferred as from the day on which the purchaser is notified of readiness for dispatch or acceptance.

We undertake to take out – at the expense of the purchaser – insurance for the transport or storage required by the purchaser.

9.3 - If materials delivered by the purchaser are damaged or become unusable at our premises, and in particular in the process of processing/machining or repair, then we shall only be liable if the damage was caused through gross negligence, though only up to 10% of the amount of the value of the processing, unless liability is unlimited due to mandatory statutory provisions.

9.4 - We insure – at our own expense – customer materials stored at our premises against fire. The purchaser must request any further insurance in writing.

10. Retention of title

We reserve the right of ownership and the right of disposal to the delivery items until receipt of all payments and until the settlement of all claims arising from the business relationship with the purchaser and from previously concluded contracts. Claims relating to cheques and bills of exchange, as well as claims from current accounts, are included in this. If our liability is established in connection with the payment of a bill of exchange, this retention of title shall not expire until our claims from the bill of exchange have been excluded.

Before the complete settlement of our aforementioned claims, the purchaser may continue to use the products delivered within the scope of its proper business operations, unless a prohibition of assignment has been/is agreed with third parties regarding the claims assigned to us in advance as per Section 10.4. The prior pledging or transfer by way of security is also prohibited, and resale is allowed only for resellers in the ordinary course of business under the condition that the reseller receives payment from its customer and forwards this payment to us immediately. The purchaser shall bear any cost of intervention.

10.1 - In the event of a seizure of the goods from the purchaser's premises, we are to be informed thereof and sent a copy of the enforcement protocol and of the declaration in lieu of an oath, confirming that the seized goods are those delivered by us and which are subject to retention of title.

10.2 - Neither the assertion of reservation of title, nor our seizure of the delivery item are deemed to constitute a withdrawal from the contract, unless the German Hire-Purchase Act is applicable.

10.3 - The purchaser hereby assigns all claims – at the proportionate amount of our invoice, including VAT – to us, along with all ancillary rights arising from resale to customers or third parties. This also applies in the event that the purchaser places the purchase-price claim to which it is entitled as a result of the resale into a current account agreed with a customer or a third party. We hereby accept such assignment.

10.4 - In the event of a connection with a third party's real estate or movable objects, and in the event of processing or machining within the scope of a work contract, the purchaser hereby assigns to us the claim for compensation for work and/or the co-ownership share withdrawn as a result, in the amount of our proportionate invoice amount including VAT for the retained goods worked on jointly. We hereby accept such assignment.

10.5 - The purchaser is hereby empowered to recover the above claims itself, in the course of ordinary business, insofar as the incoming amounts are immediately passed on to us. If there is a delay in payment, or if there is an application for judicial or extra-judicial insolvency proceedings, or a protest regarding a cheque or bill of exchange, then the authority to recover the assigned claims shall lapse.

10.6 - Insofar as the delivery items have become essential parts of real estate, the purchaser undertakes – where the agreed payment deadlines are not met – to allow us to remove those items which can be dismantled without significant impact on the building structure, and to transfer back to us the ownership of the items. If the purchaser prejudices our aforementioned rights, then it is obliged to pay us damages. The purchaser shall bear the cost of dismantling and other costs.

10.7 - If the realisable value of the securities within our control exceeds our secured claims by more than 10% (10 per cent) solely due to this provision for retention of title, or together with other securities, then we are obliged to release securities of our choice if the purchaser so requests.

10.8 - We are entitled to insure the delivery item – at the expense of the purchaser – against theft, fire, water and other damage, unless the purchaser has itself demonstrably taken out such insurance.

10.9 - If the purchaser behaves in a manner contrary to the contract, in particular in the case of a default in payment, then we are entitled to take back the delivery item after having issued a reminder, and the purchaser is obliged to surrender it. Neither the assertion of reservation of title, nor our seizure of the delivery item are deemed to constitute a withdrawal from the contract.

10.10 - A request to open insolvency proceedings shall entitle us to withdraw from the contract, and to demand the immediate return of the delivery item.

11. Liability for defects in the delivery [warranty]

We offer a warranty for material defects and defects of title concerning the delivery – excluding further claims and subject to the provisions of Section 13 – as follows:

For material defects:

11.1 - The purchaser is obliged to inspect the delivered goods without delay, and within three days of arrival at most, and to notify us of any defect existing immediately in writing. Defects reported beyond the timeframe given above will not be taken into account and are excluded from the warranty. Notifications of defects will only be recognised as such by us if they are communicated in writing. Notifications asserted vis-à-vis our field agents, carriers or other third parties are not considered to be proper notifications in terms of form or punctuality. The purchaser may demand damage compensation or the reimbursement of expenses only in cases of gross negligence or deliberate infringement of the duty to deliver defect-free items. The purchaser must provide evidence of the damage occurring, both with regard to its cause and its amount. The same applies to futile expenditure.

11.2 - We are to be given the opportunity to assess the defect. The purchaser must – after consulting us – provide us with the requisite time and opportunity to undertake all subsequent improvements and replacement deliveries we deem to be necessary. We are otherwise exempt from liability for the resulting consequences. Only in urgent cases of danger to operational safety, or to avert disproportionately high levels of damage, does the partner have the right – after having immediately informed us – to rectify the defect itself, or have it rectified by a third party, and demand we reimburse the expenses thus incurred.

11.3 - Of the direct costs arising due to the subsequent improvement or replacement delivery (including any return shipment costs for rejected goods), we shall bear the costs – to the extent that the complaint proves to be justified – of the replacement part including shipping DAF, as well as the reasonable costs of installation and disassembly, and – within the Federal Republic of Germany, if this can be reasonably demanded in the individual case – the costs of any necessary provision of our installers and assistants. All other costs shall be borne by the purchaser. Replaced parts become our property.

11.4 - Within the scope of the statutory provisions, the purchaser shall have the right to withdraw from the contract if we – taking the statutory exceptions in account – allow a reasonable deadline for the subsequent improvement or replacement delivery due to a material defect to expire in vain. If the defect is merely minor, then the purchaser shall only be entitled to a reduction in the contractual price. The right to a reduction in the contractual price is otherwise excluded.

11.5 - No warranty is given in the following cases, insofar as we are not responsible for them: unsuitable or improper use; faulty installation or commissioning by the purchaser or third parties; natural wear and tear; defined parts subject to wear; faulty or negligent handling; improper maintenance; unsuitable operating materials; defective construction work; unsuitable subsoil; chemical, electrochemical or electrical influences.

11.6 - If the purchaser or a third party improperly makes subsequent improvements, then we are not liable for the resulting consequences. The same applies to modification of the delivery item without our prior consent.

11.7 - If the purchaser supplies parts or materials for processing or as a provision for the processing of an order, then – unless there is expressly agreement to the contrary – no receiving inspection for non-obvious errors shall occur.

11.8 - If our scope of supply includes software, then the following also applies:

- (a) We warrant that the licensed software is not afflicted with reproducible errors. It is however a prerequisite of the warranty that the software is used in accordance with the contract.
- (b) The purchaser must send us immediate notification of any program errors,
- (c) We are to rectify any errors notified. If error-rectification is not possible, we need to develop a fallback solution.

- (d) We assume no liability for the licensed software meeting the purchaser's specific requirements.

For defects of title:

11.9 - If the use of the delivery item leads to the infringement of industrial property rights or copyrights, we shall – at our expense – ensure that the purchaser continues to be entitled to use it, or modify the delivery item in a manner acceptable to the purchaser such that there is no longer any infringement of property rights. If this is not possible on commercially reasonable terms or within a reasonable period of time, then the purchaser is entitled to withdraw from the contract. We are also entitled to withdraw from the contract under these conditions. Furthermore, we will indemnify the purchaser from the undisputed or legally established claims of the relevant copyright holders.

11.10 - Our obligations set forth in Section 11.10 are conclusive – subject to the provisions of Section 12 – in the case of the infringement of property rights and copyright. They exist only if:

- a) the purchaser informs us immediately of any asserted infringements of property rights and copyright,
- b) the purchaser supports us to a reasonable extent in defending the claims asserted and/or allows us to undertake the modification measures as per Section 11.9,
- c) all defence measures, including out-of-court settlements, remain available to us,
- d) any defect of title is not based on an instruction of the purchaser, and
- e) the rights infringement was not caused by the purchaser modifying the delivery item of its own accord, or by it being modified in a manner contrary to the contract.

11.11 - Within the scope of the statutory provisions, the purchaser shall have the right to withdraw from the contract if we – taking the statutory exceptions in account – allow a technically reasonable deadline for the subsequent improvement or replacement delivery due to a defect to expire in vain. If the defect is merely minor, then the partner shall only be entitled to a reduction in the contractual price.

12. Liability

12.1 - Notwithstanding other provisions in these terms and conditions, our liability to the purchaser for loss of production, loss of profit, loss of use, contractual fines or any other consequential or indirect loss is excluded in principle.

12.2 - If it is our fault that the delivery item cannot be used by the purchaser in accordance with the contract, as a result of the lack of the faulty execution of proposals and consultations before or after the conclusion of the contract, or due to the breaching of other contractual obligations (and in particular instructions for the operation and maintenance of the delivery item), then – to the exclusion of further claims of the purchaser – the regulations of Sections 11, 12.1 and 12.3 shall apply correspondingly.

12.3 - We are liable – irrespective of the legal grounds – for damage occurring other than to the delivery item, only in the case of

- a) intent,
- b) gross negligence on the part of the owner, the supervisory bodies or executives,
- c) culpable injury to life, limb or health,
- d) defects which we have fraudulently concealed or whose absence we have guaranteed,
- e) defects of the delivery item, to the extent that there is liability for privately-used objects according to product liability law regarding personal injury or material damage.

In the event of the case of culpable violation of essential contractual obligations, we are also liable for the gross negligence of non-executives or for slight negligence, whereby in the latter case this shall be limited to contract-typical, reasonably foreseeable damage. The right to assert further claims is excluded.

12.4 Claims for damages in the event of the non-fulfilment of the purchaser

If we are entitled to demand damages due to non-fulfilment, then the flat-rate minimum amount of damages will be 20% of the agreed contractual price without VAT.

The amount of damage is to be raised if we demonstrate a higher level of damage, or reduced if the purchaser demonstrates a lower level of damage.

13. Installation and commissioning

Insofar as our scope of supply includes installation and/or commissioning, the general terms and conditions for installation and repair work at home and abroad shall apply in addition.

14. Acceptance

The purchaser is obliged to accept the installation work as soon as the purchaser has been notified of its completion. The system is deemed to have been accepted after successful commissioning, even if the purchaser has not contributed to this, despite being asked to do so.

Self-contained parts of the performance are to be subject to a separate acceptance procedure on request. If the system is put to use in whole or in part, or if acceptance is delayed without us being at fault, then acceptance is deemed to apply two (2) weeks after notification of completion.

The system may be used prior to acceptance only with our express consent; those parts of the system which have already been installed are deemed to have been accepted once used.

Our liability for obvious defects ends upon acceptance, unless the purchaser has reserved the right to assert a given defect.

15. Limitation period

All claims of the purchaser – irrespective of their legal grounds – shall expire after 12 months. The statutory limitation periods apply with regard to intentional or fraudulent behaviour, and to claims under the German Product Liability Act. The statutory limitation periods also apply with regard to defects of a building or for delivery items used corresponding to their normal application for a building, where such items have caused the building's defectiveness. For all claims, the period begins upon the date of delivery; for work done, the period begins upon acceptance.

16. Binding nature of the contract

Any contract agreed by the parties in the future shall remain binding, even if individual terms and conditions in the remainder of that contract are legally invalid. This does not apply if adherence to the contract would result in unreasonable hardship for one of the parties. If a provision is wholly or partially ineffective, then the contracting parties shall immediately attempt to achieve, by other legal means, the economic outcome intended with the ineffective regulation.

17. Forces majeure

In the case of a force majeure, such as employment disputes, unrest, official measures, lack of supplies and other unforeseeable, unavoidable and serious events, both parties are released from their performance obligations for the duration of the disturbance and to the extent that it impacts them. This also applies if such events occur at a point in time when an affected party is already delayed in performance, unless it has caused the delay wilfully or by gross negligence. The contracting parties are obliged to immediately provide the other party with the requisite information, to the extent that this is possible, and to adapt its obligations to the changed circumstances in good faith.

18. Jurisdiction – Applicable law

Any action arising from a future contract is to be submitted to the court with jurisdiction for Beckum. We are however also entitled

Maschinenfabrik Möllers GmbH General Terms and Conditions of Sale, Delivery and Installation

to bring an action at the purchaser's headquarters. The relevant laws of the Federal Republic of Germany concerning legal relations between domestic parties shall apply exclusively to all ongoing and future legal relationships between us and the purchaser. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded, as are any other international conventions concerning the law on the sale of goods.

Beckum, January 2019