

GENERAL TERMS OF SALE OF ELKOM ELEKTROHEIZPLATTEN-TECHNIK GMBH

1. General

Our deliveries, services and offers are exclusively subject to these terms and conditions. They also apply to all future business dealings, even if they are not explicitly agreed upon again. These terms and conditions will be regarded as accepted at the latest when the good or service is received. We hereby reject any confirmation to the contrary of the purchaser with reference to their own terms of business and purchase.

2. Conclusion of contract

(1) Our offers are subject to change and are non-binding. Notices of acceptance and all orders require our written confirmation to be effective. The contract will be regarded as concluded, once we send a written confirmation (order confirmation), which will be the only decisive document for the scope of our obligation to provide service. If this confirmation is not available, our scope of services is based on the offer accepted by the purchaser within the period prescribed. The delivery replaces the written order acceptance. Our employees are not authorised to make verbal side agreements or give verbal assurances beyond the content of the written contract.

(2) Information, figures and product descriptions in brochures, etc. are to be understood as approximations. Drawings, figures, dimensions, weights or other parameters are only binding, if this is explicitly agreed in writing. We reserve the unrestricted right of ownership and patent utilisation rights to cost estimates, drawings and other documents (hereafter: documents). Our products are subject to insignificant and/or customary deviations, e.g. design changes for product improvement, which do not affect usability and are reasonable for the purchaser. However, we are under no obligation to also make these changes on products that have already been delivered.

3. Prices and payment conditions

(1) Our prices are € prices (EURO of the ECB) and are calculated ex works, in Germany including the respective VAT and excluding

installation, commissioning and assembly costs as well as packaging, freight, postage, insurances and transport expenses; in case of export shipping, excluding customs duties as well as fees and any other duties or taxes. They are calculated based on the labour, material and other expenses on the day of the submission of our quotation. If material and commodity prices, energy prices, wages and salaries, production or transport expenses increase, we are permitted to include this increase of expenses on the day of the delivery in the final price, unless delivery is made within four months of the conclusion of the contract for a non-trading transaction.

(2) Our invoices are payable immediately without deduction, unless otherwise agreed. Payments are to be made in cash free of transaction charges to the seller's designated accounts. Payment to third parties, e.g. intermediaries or representatives are made at the purchaser's own risk. Payment will not be regarded as made until the amount is at our disposal. Money orders, cheques and bills of exchange will only be accepted on account of performance subject to timely and complete encashment. Transfer and prolongation are not regarded as encashment. The purchaser will bear discount, exchange and collection costs. We are authorised to deduct payment from the payer's previous debt, even if the payer has given us different instructions, and will inform the purchaser on the exact manner of settlement of accounts. If expenses and interest have already been incurred, we are authorized to deduct first from the expenses, then from the interest and finally from the main service.

(3) In case of default of payment, we are authorised to demand interest for default amounting to 8 percentage points (5 percent points when dealing with consumers) above the respective basic interest rate, notwithstanding any further claims for damages, according to § 247 BGB (German civil code). Should the purchaser default on a significant portion of the payment or should the purchaser's cheques or bills of exchange be protested or conditions for granting of a loan become invalid, all outstanding accounts of this purchaser will become payable immediately. This also applies to invoices originally deferred and bills of exchange or

cheques due later. In case of partial deliveries, we are entitled to refuse to deliver outstanding goods from this order without any liability for damages.

(4) If the financial situation of the purchaser worsens significantly after conclusion of the contract or an unfavourable financial situation is only discovered after conclusion of the contract, we are entitled to refuse outstanding deliveries or demand reasonable advance payments or collateral securities, if there is a risk that the purchaser may not fulfil their obligations.

(5) If advance payments and collateral securities are not made within a reasonable time, we may withdraw from the contract or cancel it, notwithstanding any further claims for compensation. The consequences shall be determined according to point 6. paragraph (2).

(6) Offsetting by the purchaser may only be considered in case of an uncontested or legally determined counter-claim. A right of retention may only be brought to bear if it is based on entitlements arising from the same contractual relationship.

4. Term of delivery

(1) The term of delivery is generally non-binding and starts at conclusion of the contract. It can only be made binding through a written agreement. The term of delivery shall be deemed to have been met, if the delivery item has left the factory or readiness for dispatch has been announced to the purchaser by the end of the deadline.

(2) Adherence to these due dates presumes the timely receipt of all documentation to be supplied by the purchaser and compliance with the agreed upon payment conditions and other obligations by the purchaser. Should the purchaser delay or neglect their required or agreed cooperation, the term of delivery will be extended accordingly.

(3) We cannot be held liable for delays in delivery and performance of services due to force majeure or events, which make delivery significantly more difficult or impossible - this includes in particular strikes, lock-outs, orders from authorities, malfunctions or failure of important production

facilities / machines, delays in the receipt of important raw and assembly materials, lack of materials and/or energy, including as a consequence of significant price increases, delay during transport as well as all cases of force majeure, even if they occurred at one of our suppliers or their sub-suppliers. This applies even when deadlines and dates have been agreed to be binding. The above applies even when the above-mentioned situations occur during an existing delay in delivery. In these cases, we are permitted to postpone the delivery or surface by the duration of the obstruction plus a reasonable preparatory period or withdraw partially or completely from the contract due to the unfulfilled part. Other rights of withdrawal shall remain unaffected.

(4) Should - on the purchaser's request - the dispatch or delivery be postponed for more than one month after notification of dispatch readiness, we are entitled to invoice the orderer a storage fee for each month started in the amount of 0.5 % of the price of the goods, however, not more than a total of 5 %. The contractual parties retain the right to provide evidence of higher or lower storage costs.

5. Delivery, costs and transfer of risk

(1) Delivery is ex works. The risk of accidental deterioration and accidental loss of the goods is transferred to the purchaser as soon as we have given the goods to the person tasked to execute shipping (with the beginning of the loading process being the decisive point) or the goods have left our storage in order to be dispatched. This applies independently from the question of who shall take responsibility for the shipping costs and transport. If no particular agreements have been made, the manner of shipping, packaging, transport route, etc. are at our discretion. Delivery shall be regarded as completed once the goods are unloaded. The risk shall pass on to the purchaser, if the dispatch, the delivery or acceptance is delayed for reasons to be attributed to the purchaser, or if the purchaser delays acceptance of the delivery for other reasons.

(2) Transport insurance will only be taken out at the explicit request of the purchaser and at the purchaser's expense.

6. Cancellation, delay of acceptance

(1) Should the purchaser cancel the order, regardless of the reason, provided we cannot be held liable for it, we are entitled to demand a flat fee or flat compensation (cancellation fee) amounting to 15 % of the net order total. The cancellation fee may be higher or lower, if we can prove a higher amount or the purchaser can prove that a lower or no fee is due or a lower or no damage has been incurred.

(3) A cancellation will be considered identical to a cancellation according to paragraph (2), if the purchaser does not provide a financing confirmation / does not provide this confirmation in time or if we withdraw from or cancel the contract for reasons for which the purchaser is responsible.

(4) The purchaser undertakes to accept the goods within 7 days of receipt of the notification of availability. In case of non-acceptance, we are entitled to exercise our legal rights. If we demand compensation for damages, this will amount to 20 % of the net order total. The compensation for damage may be higher or lower, if we can prove a higher amount of damage or the purchaser can prove that less or no damage has been incurred.

7. Retention of title

(1) The goods delivered remain our property until payment of the agreed price. If the purchaser is a trader ("Kaufmann") as defined by the HGB (German commercial code), we retain ownership of all goods to be delivered until all accounts, including future and conditional accounts, from the business relationship have been settled.

(2) The purchaser may not pawn nor assign goods by way of security, if they are subject to retention of title. The purchaser undertakes to notify us immediately of the actions of third parties with regard to these goods, in particular of seizure. In cases of action with regard to the goods by third parties, especially seizures, the purchaser will cite our title to the goods and

inform us immediately, so that we can assert our proprietary rights. Should the third party be incapable of compensating us for the expenses incurred in and outside of court in this context, the purchaser shall be held liable.

(3) Should the purchaser act contrary to the contract - in particular in case of default of payment - we are entitled to withdraw from the contract and demand return of retained goods. Until the complete payment of the goods, the purchaser undertakes to always keep us informed of their location.

8. Liability for defects

(1) The goods shall be delivered free of constructive, fabrication and material defects; the term for assertion of claims regarding defects is 6 months from transfer of risk for newly produced goods, provided the purchaser is not a consumer. The shortened period of limitation according to p. 1 does not apply for intentional acts and gross negligence as well as injuries to life, body or health, in case of deceitfulness or in case of acceptance of a guarantee by us. In these cases, the legal period of limitation shall apply. Used goods shall be sold excluding all warranties for defects, provided the purchaser is not a consumer. If the purchaser is a consumer, the period of limitation shall be one year.

(2) In case of non-adherence to our operating and maintenance instructions, changes made to the goods, replacement of parts or use of consumables not equivalent to the originals, claims due to defects of the goods shall become null and void, unless the purchaser disproves an appropriately substantiated claim that one of the above actions was the cause of the defect. The same applies to defects caused by improper installation, faulty integration, improper maintenance, faulty or negligent treatment or storage, improper repairs not made by us, changes without our written authorisation, excessive stress, unsuitable operation conditions and equipment as well as chemical, electrochemical or electrical factors we cannot be held responsible for or weather and other natural factors. Claims for defects may also not be made in case of insignificant deviations from the agreed

characteristics, insignificant impairment of the usability and natural wear.

(3) Claims for defects of the purchaser - provided the purchaser is not a consumer - require the purchaser to have complied with the obligation to inspect and give notice according to § 377 HGB (German commercial code). Otherwise claims will not be taken into account: The purchaser must immediately, but at the latest within a week of receipt of the goods, inform our customer service manager of defects in writing. In case of defects which have remained undetectable even in spite of a thorough inspection, we must be informed in writing as soon as possible after detection.

(4) If we are informed by the purchaser that the goods have a defect, we will make one of the following demands at our own expense:

a) The defective part or device must be returned to us for repairs and subsequent return to the customer;

b) The purchaser must keep the defective part or device ready and one of our service technicians will be sent to the purchaser to carry out repair work.

Claims by the purchaser relating to the expenditure incurred for the purpose of supplementary performance, especially transport, road, work and material costs, are excluded, in so far as such expenditure increases as a result of the delivery object having been transported to a location other than the purchaser's location afterwards, unless transport of the delivery object complies with the use as intended or the delivery location is outside of Germany. In this case, the purchaser must bear the additional expenses.

(5) The purchaser may withdraw from the contract or reduce payment, notwithstanding any claims for damages, if supplementary performance is not executed within an appropriate time.

(6) Claims against us due to defects may only be made by the purchaser and cannot be transferred.

(7) In the case of notices of defect, the purchaser is entitled to withhold payments at a value that reasonably reflects the magnitude of the material defects encountered. The purchaser is only

entitled to withhold payments, if a notice of defect is brought forward which leaves no doubt about it being justified. If the notice of defect was unjustified, we are entitled to claim a refund from the purchaser for the expenses incurred.

(8) In case of parts used for completion, overhaul or conversion sent to us by the purchaser, we cannot be held liable for their behaviour during processing; should the material become damaged, we are entitled to compensation for the expenses incurred during processing, unless the damage is due to intentional or grossly negligent breach of duty on our part, the part of our vicarious agents or a breach of duty significant for the purpose of the contract. This limitation of liability does not apply to injuries of persons.

9. Liability

(1) Claims for damages and reimbursement of expenses by the purchaser, regardless on which legal ground, especially resulting from a breach of obligations arising from the contractual obligations and from unauthorised action, are excluded.

(2) This does not apply, if liability is mandatory, for instance, for guaranteed characteristics, according to the product liability law, in cases of intent, gross negligence, injury to life, body or health, or breach of major contractual obligations. The claim for damages for the breach of major contractual obligations, however, is limited to the foreseeable damage typical for the contract. Claims for loss of profit, saved expenditure, claims resulting from claims for damage of third parties and other indirect and secondary damage may not be made. This does not, however, apply, if a characteristic guaranteed by us has the purpose of protecting the purchaser from such damage and/or in case of intent or gross negligence or injury to life, body or health. A change of the burden of proof to the detriment of the purchaser is not connected to the above-mentioned stipulations.

(3) If our liability is excluded or limited, this also applies to our staff, employees, representatives and vicarious agents.

10. Final provisions

(1) If the purchaser is a trader, legal entity under public law or special fund under public law, the place of execution shall be 32457 Bad Oeynhausen, Germany, and the place of jurisdiction for all disputes arising from our contractual relationship, including suits regarding cheques, bills of exchange and documents shall be the place of jurisdiction responsible for our head office. However, we shall also be entitled to sue the purchaser at the purchaser's place of general jurisdiction.

(2) All contracts shall be governed by German law under the exclusion of the agreement of the United Nations covering contracts governing the international sale of goods (CISG).

(3) If these stipulations require a written form for notifications or declarations made by the parties, notifications by fax or e-mail shall be regarded as complying with these stipulations.

(4) Should individual clauses in these terms and conditions be or become invalid, this shall not affect the validity of the other clauses. Together with the purchaser, we shall replace any invalid stipulations in good faith as far as reasonable with those stipulations fulfilling the economic purpose of the contract best, without significant changes to the contents of the contract occurring. The same applies if there is a lack of clarification for an item requiring explicit clarification.

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