

General Terms of Sale and Delivery

MATSUURA Machinery GmbH,

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§ 1 Scope, form

(1) The present General Terms of Sale and Delivery (GTSDs) apply to all business relationships between us, Matsuura Machinery GmbH, and our customer ("Buyer"). The GTSDs apply only if the Buyer is an entrepreneur (§ 14 BGB [German Civil Code]), a legal entity under public law, or a special fund under public law.

(2) The GTSDs particularly apply to contracts for the sale and/or delivery of movable items ("Goods" or "Purchased Items"), regardless of whether we manufacture the Goods ourselves or purchase them from suppliers (§§ 433, 651 BGB). Unless otherwise agreed, the GTSDs shall apply as a framework agreement for equivalent future contracts as well, in the current version at the time of the Buyer's order and/or in any case in the last version provided to the Buyer in text form, without any need for us to reference them again in each individual case.

(3) Our GTSDs apply exclusively. Any deviating, conflicting or supplementary terms and conditions of the Buyer shall only become part of the contract if and to the extent that we have explicitly agreed to their applicability. This agreement requirement applies in every case, for example even if we provide unconditional delivery to the Buyer in the awareness of the Buyer's general terms and conditions.

(4) Separate agreements made with the Buyer in individual cases (including ancillary agreements, addenda and changes) shall in every case take precedence over these GTSDs. Subject to evidence to the contrary, a written contract and/or our written confirmation shall be definitive for the content of such agreements.

(5) Legally significant declarations and notifications by the Buyer with regard to the contract (e.g. deadlines, defect notifications, cancellation or reduction) must be submitted in writing, i.e. in written or text form (e.g. letter, email, fax). Statutory form requirements and other evidence, especially in case of doubt regarding the legitimacy of the party making a declaration, remain unaffected.

(6) References to the applicability of statutory requirements exclusively serve a clarifying function. Even without such clarification, the statutory requirements therefore apply where they have not been directly modified or explicitly excluded in these GTSDs.

§ 2 Conclusion of contract

(1) Our offers are always subject to change.

(2) An order placed for the Goods by the Buyer shall be deemed a binding offer of contract. Unless otherwise established in the order, we are entitled to accept this offer of contract within 14 days after we receive it.

(3) Acceptance can be declared either in writing (as a rule through an order confirmation) or through the delivery of the ordered Goods and/or provision of the ordered Services to the Buyer.

§ 3 Prices, payment terms

(1) Unless otherwise established in the order confirmation, our current prices at the time of the conclusion of contract shall apply ex works. Prices do not include applicable value added tax.

(2) For sales shipments as per § 4 Para. 1, the Buyer shall bear the transport costs ex warehouse and the costs of any transport insurance requested by the Buyer. Any duties, fees, taxes and other public charges shall also be borne by the Buyer.

(3) If delivery occurs more than 4 months after the conclusion of contract as defined in the agreement or for reasons that are the Buyer's responsibility, price increases are permissible if they result from unforeseeable changes in pricing factors that occurred after the conclusion of contract; this particularly applies to tariff increases and material price increases. The amount of the price increase must be justified by the change in pricing factors, and must be reported to the Buyer within an appropriate period. If the increase is more than 5% of the agreed price, the Buyer shall have a termination right.

(4) Unless otherwise agreed, one-third of the purchase price is due and payable at the latest three days after conclusion of contract; the remaining portion of the purchase price is due and payable at the latest 14 days after the invoice is issued and the Goods are sent.

However, even within the context of an ongoing business relationship, we are entitled to provide delivery in full or in part only against prepayment. We shall declare any such reservation at the latest upon providing order confirmation.

(5) The timeliness of the payment shall be determined based on our receipt of the payment, e.g. a transfer to our account, unless the Buyer is not responsible for the delayed receipt of payment.

(6) At the end of the abovementioned payment period, the Buyer shall be deemed to be in default. The purchase price is subject to interest at the applicable statutory interest rate for the duration of the default. We reserve the right to assert further damages caused by delay. Our claim to commercial maturity interest from merchants (§ 353 HGB [German Commercial Code]) remains unaffected.

(7) Each reminder sent after default occurs may be subject to a fee of €5.00.

(8) The Buyer only has offsetting and retention rights to the extent that the Buyer's counterclaims have been legally established, are undisputed or have been

acknowledged by us. In the event of defects in the delivery, the Buyer's counterclaims, particularly as per § 7 Para. 6 Sentence 2 of these GTSDs, remain unaffected.

(9) If it becomes apparent after the conclusion of contract (e.g. through a request to initiate insolvency proceedings) that our claim for the purchase price is threatened by the Buyer's lack of solvency, we are entitled to refuse service according to the statutory provisions and – after setting a grace period if appropriate – to withdraw from the contract (§ 321 BGB). In the case of contracts for manufacturing single items (custom-made products), we can declare cancellation immediately; the statutory rules on dispensing with a grace period remain unaffected.

§ 4 Delivery, transfer of risk, acceptance, default of acceptance

(1) Delivery shall be provided ex warehouse, which is also the place of fulfillment for the delivery and any supplementary performance. At the Buyer's request and expense, the Goods can be shipped to a different destination (sales shipment). Unless otherwise agreed, we are entitled to choose the type of shipment (particularly the transport company, transport route and packaging).

(2) The risk of accidental destruction or accidental deterioration of the Goods shall be transferred to the Buyer at the latest upon their handover to the Buyer. For sales shipments, however, the risk of accidental destruction or accidental deterioration of the Goods as well as the risk of a delay shall be transferred as soon as they are handed over to the carrier, freight forwarder or another person or entity charged with delivering the Goods. Where acceptance has been agreed, this shall be definitive for the transfer of risk. For the rest, the statutory provisions of the laws on contracts for work and labor shall apply. If the Buyer is in default with acceptance, this is considered equivalent to handover and/or acceptance.

(3) If the Buyer is in default with acceptance or fails to fulfill cooperation duties, or if our delivery is delayed for other reasons that are the Buyer's responsibility, we are entitled to request compensation for the resulting damage, including additional expenses (e.g. storage costs).

§ 5 Delay in delivery

(1) Where we are unable to meet delivery deadlines for reasons that are not our responsibility (non-availability of performance), we shall inform the Buyer of this immediately along with the expected new delivery date. If performance is still not available within the new delivery period, we are entitled to withdraw from the contract in full or in part; we shall immediately refund any compensation already provided by the Buyer. In particular, a failure to provide timely self-delivery through our supplier is not considered non-availability of performance if we have concluded a congruent hedging transaction, if neither we nor our suppliers are at fault, or if we are not obligated to provide delivery in the individual case.

(2) The start of our delivery default is defined by the statutory provisions. In every case, however, a warning from the Buyer is required. If we are in default with delivery, the Buyer can request flat-rate compensation for any damage caused by the delay. The flat damage rate is 0.5% of the net price (delivery value) for each full calendar week of the delay, but at most up to 5% total of the delivery value of the delayed Goods. We reserve the right to prove that the Buyer did not suffer any damage, or incurred significantly less damage than the abovementioned flat rate.

(3) The Buyer's rights as per § 8 of these GTSDs and our statutory rights, particularly if the performance obligation is excluded (e.g. due to impossibility or unreasonableness of performance and/or supplementary performance), remain unaffected.

§ 6 Deviations in quality, partial deliveries

Deviations in quality are only permissible where these are customary and reasonable for the Buyer, with consideration for both parties' interests. The same applies to partial deliveries.

§ 7 Warranty

(1) Unless otherwise established below, the statutory provisions apply to the Buyer's rights in the case of material defects and defects of title (including incorrect and insufficient deliveries as well as improper assembly or faulty assembly instructions). In all cases, the special statutory provisions remain unaffected for final delivery of unprocessed Goods to a consumer, even if the consumer has further processed these (supplier regress as per §§ 478 BGB). Claims based on supplier regress are excluded if the defective Goods were further processed by the Buyer or another entrepreneur, e.g. by incorporating them into another product.

(2) The primary basis for our defect liability is the agreement regarding the condition of the Goods. An agreement regarding the condition of Goods is any product description that is the subject of the individual contract or that has been made public by us (particularly in catalogues or on our website).

(3) Where the condition has not been established, the statutory provisions are used to determine whether a defect exists or not (§ 434 Para. 1 P. 2 and 3 BGB). We do not assume any liability for public statements made by the manufacturer or by other third parties.

(4) The Buyer's defect claims require the Buyer to have fulfilled its statutory inspection and complaint duties (§§ 377, 381 HGB). If a defect is found upon delivery, during the inspection, or at any later time, this must be reported to us immediately in writing. In every case, obvious defects shall be reported in writing within five business days of

delivery; for defects that were not apparent at the time of inspection, the same period applies as of the time of their discovery. If the Buyer fails to perform a proper inspection and/or defect notification, then our liability for defects that are not reported, or not reported in a timely and proper manner, is excluded as per the statutory provisions.

(5) In the case of a defect that is our responsibility, the Buyer is entitled to supplementary performance. Supplementary performance shall consist of our choice of defect rectification or delivery of a fault-free item. Our right to refuse to provide supplementary performance under the statutory requirements remains unaffected.

(6) We are entitled to make the owed supplementary performance dependent upon the Buyer's payment of the owed purchase price. However, the Buyer is entitled to retain a reasonable portion of the purchase price in relation to the defect.

(7) The Buyer shall give us the necessary time and opportunity to provide the owed supplementary performance, particularly by handing over the Goods subject to a complaint for inspection purposes. In the event of a replacement delivery, the Buyer shall return the defective item to us according to the statutory provisions. Supplementary performance does not include removal of the defective item or new installation if we were not originally obligated to provide installation.

(8) The expenses required for inspection and supplementary performance, particularly transport, travel, labor and material costs as well as any removal and installation costs, shall be borne and/or reimbursed by us according to the statutory provisions if a defect actually exists. Otherwise, we can request compensation from the Buyer for costs incurred through the unfounded defect rectification request (particularly inspection and transport costs) unless the lack of a defect was not apparent to the Buyer.

(9) In urgent cases, for instance if there is a threat to operational safety or to prevent unreasonable damage, the Buyer is entitled to rectify the fault itself and request compensation from us for the objectively required expenses. We must be notified of any such self-remedy without delay, if possible in advance. This self-remedy right does not apply if we would have been entitled to refuse a corresponding supplementary performance under the statutory provisions.

(10) If the supplementary performance fails or if a supplementary-performance deadline to be set by the Buyer lapses without result or is not necessary under the statutory provisions, the Buyer can withdraw from the purchase contract or reduce the purchase price. However, in the case of an insignificant defect no withdrawal right applies.

(11) The Buyer's claims for damage compensation and/or compensation for futile expenditures, even in the case of defects, shall only apply as defined in § 8 and are otherwise excluded.

§ 8 Liability

(1) Unless otherwise established in these GTSDs, including the following provisions, we shall be liable for any violation of contractual and non-contractual duties as defined by the statutory provisions.

(2) Regardless of legal grounds, we shall be liable for damage compensation within the scope of fault-based liability in the case of intent or gross negligence. In the case of simple negligence, subject to a lesser liability criterion, we shall be liable according to the statutory provisions (e.g. for the care exercised in our own affairs) only

a) for damage resulting from a loss of life, bodily injury or damage to health,
b) for damage resulting from a more-than-insignificant breach of a significant contractual duty (a duty whose fulfillment makes it possible to properly execute the contract in the first place and which the contractual partner regularly relies upon and can rely upon to be fulfilled); in this case, however, our liability is limited to compensation for the foreseeable, typically occurring damage.

(3) The liability limitations defined in Para. 2 also apply to breaches of duty by and/or on behalf of persons for whose culpability we are responsible under the statutory provisions. They do not apply where we maliciously failed to disclose a defect or assumed a guarantee for the condition of the Goods, nor for the Buyer's claims under the Product Liability Act.

(4) The Buyer can only withdraw from or terminate the contract for a breach of duty that does not consist of a defect if we are responsible for the breach of duty. The Buyer's free termination right (particularly as per §§ 651, 649 BGB) is hereby excluded. For the rest, the statutory requirements and legal consequences apply.

§ 9 Reservation of title

(1) We hereby reserve title to the sold Goods until all of our current and future receivables from the purchase contract and any ongoing business relationship (secured receivables) have been paid in full.

(2) The Goods subject to reservation of title cannot be pledged to third parties nor transferred by way of security until the secured receivables have been paid in full. The Buyer shall notify us immediately in writing if a request to initiate insolvency proceedings has been submitted, or where third parties access the Goods belonging to us (e.g. through pledging).

(3) In the event of illegal conduct by the Buyer, particularly non-payment of the owed purchase price, we are entitled to withdraw from the contract and/or request the return of the Goods on the basis of the reservation of title according to the statutory provisions. The return request does not simultaneously constitute a declaration of withdrawal; rather, we are entitled to simply request the return of the Goods and reserve the right of withdrawal. If the Buyer does not pay the owed purchase price, we can only assert these rights if we have first set an appropriate grace period for the Buyer to provide payment and this has lapsed without result, or if such a grace period is not required by the statutory provisions.

(4) Until a cancellation occurs as per (c) below, the Buyer is authorized to continue selling and/or processing the Goods subject to reservation of title. In this case, the following additional provisions apply.

(a) The reservation of title extends to the full value of any products resulting from the processing, mixture or combination of our Goods, whereby we shall be considered the manufacturer. If third-party ownership rights apply in the case of processing, mixture or combination with the third party's products, we shall obtain co-ownership in proportion to the invoice value of the processed, mixed or combined Goods. For the rest, the resulting product is subject to the same provisions as our Goods delivered subject to reservation of title.

(b) The Buyer hereby assigns to us by way of security, in full and/or in the amount of our co-ownership share, where applicable, any receivables against third parties that result from the resale of the Goods or the product, as described in the above paragraph. We hereby accept this assignment. The Buyer's duties as named in Para. 2 also apply with regard to the assigned receivables.

(c) In addition to us, the Buyer remains authorized to collect the receivable. We hereby agree not to collect the receivable as long as the Buyer fulfills its payment duties toward us, as long as its capacity to provide performance is not limited, and as long as we do not assert the reservation of title by exercising a right as per Para. 3. However, if this is the case, we can request that the Buyer notify us of the assigned receivables and their debtors, provide all information needed to collect them, hand over the associated documentation, and inform the debtors (third parties) of the assignment. Furthermore, in this case we are entitled to revoke the Buyer's authorization to resell and process the Goods subject to reservation of title.

(d) If the realizable value of the securities exceeds our receivables by more than 10%, we shall release our choice of securities at the Buyer's request.

§ 10 Limitation period

(1) In deviation from § 438 Para. 1 No. 3 BGB, the general limitation period for claims from material defects and defects of title is one year from the time of delivery. Where acceptance has been agreed, the limitation period shall begin as of the time of acceptance.

(2) However, if the Goods are a building or an item that has been used for a building in accordance with its usual purpose and that caused the building to be defective (building material), the limitation period as per the statutory provision shall be five years from the time of delivery (§ 438 Para. 1 No. 2 BGB). Further special statutory provisions on limitation periods (esp. § 438 Para. 1 No. 1, Para. 3, §§ 444, 445 b BGB) shall also remain unaffected.

(3) The above limitation periods under sales law also apply to contractual and non-contractual damage compensation claims by the Buyer that result from a defect in the Goods, unless applying the regular statutory limitation period (§§ 195, 199 BGB) would create a shorter limitation period in the individual case. However, damage compensation claims by the Buyer as per § 8 Para. 2 Sentence 1 and Sentence 2(a) as well as under the Product Liability Act are exclusively subject to the statutory limitation periods.

§ 11 Software use

(1) If the scope of delivery for the Purchased Item includes computer software along with its documentation, the Buyer receives a non-exclusive right to use the software upon payment of the purchase price in full. This extends exclusively to the operation of the Purchased Item. Any further use, for instance using it to operate another system, is excluded unless otherwise agreed with the Buyer.

(2) The Buyer is not entitled to reproduce or decompile the software unless the created copy is a backup copy or the Buyer is entitled to reproduce or decompile it on the basis of statutory provisions.

(3) Sharing of the software or of any created copies with third parties is excluded. This does not apply if the Buyer permanently gives the software to the third party and completely relinquishes use of the software itself. In this case, the Buyer must delete copies of the software or otherwise render them completely unusable unless the Buyer is required by law to retain them.

§ 12 Final provisions

(1) If the Buyer is a merchant, legal entity under public law or special fund under public law, then the place of jurisdiction is Wiesbaden. The same applies if the Buyer does not have a general place of jurisdiction within Germany or if the Buyer changes the domicile or habitual residence to a place outside Germany, or if the Buyer's domicile or habitual residence is not known at the time the complaint is filed.

(2) These GTSDs and the contractual relationship between us and the Buyer are subject to the laws of the Federal Republic of Germany to the exclusion of international uniform law, particularly the UN Convention on Contracts for the International Sale of Goods.

(3) All documents that we made available to the Buyer in the course of contract execution shall not be shared with third parties or otherwise made available unless this is necessary in order to execute the contract or to assert the Buyer's rights. The Buyer shall return the documents at our request once both parties have fulfilled the contract, and permanently delete them in the case of electronic documents, unless the Buyer is obligated by statutory provisions to retain these. The return obligation also applies to any copies that have been made.

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