

General Terms and Conditions of Purchase and Contract

HAWART Sondermaschinenbau GmbH

These Terms and Conditions form an integral part of all contacts concluded between Suppliers and contractors (hereinafter referred to as "Suppliers") and HAWART Sondermaschinenbau GmbH, including all current and future business transactions. These Terms and Conditions shall apply exclusively. Deviating, conflicting or supplemental terms and conditions of the Supplier require the express written agreement of HAWART to become part of the contract. These terms and conditions shall also apply exclusively if HAWART, being aware of deviating, conflicting or supplemental conditions of the Supplier, accepts a delivery or service or pays for such delivery or service without reservation.

1 Offers and Contract Conclusion

- 1.1 Offers shall be submitted to HAWART without obligation. In its offer, the Supplier shall adhere to the quantities, quality and design specified in the inquiry of HAWART. Any and all deviations from the specifications shall be expressly pointed out.
- 1.2 Orders and other declarations shall only be binding for HAWART if confirmed by HAWART in writing.
- 1.3 Order confirmations, which are fully compliant with the order, are expected within 5 working days of the date of the order. Any order confirmations that are deviating from the original order must be confirmed in writing by HAWART to become part of the contract.

2 Prices

- 2.1 Agreed prices shall be understood as fixed prices excluding value added tax. Prices shall include the payment for all supplies and services assigned to the Supplier (including shipping, insurance, duty and packaging) and shall be understood as DDP Ganderkesee.
- 2.2 Advance payments require express agreement. §632a BGB (German Civil Code) shall not apply.

3 Delivery Item

- 3.1 The order shall be authoritative for the content, type and scope of the delivery.
- 3.2 Any drawings, descriptions, etc. shall be binding for the Supplier; however, the Supplier shall check same for any inconsistencies and notify HAWART immediately of any discovered or suspected errors. The Supplier shall remain solely responsible for any drawings, plans, diagrams and calculations prepared by him, even if HAWART has approved/released the same.
- 3.3 Unless further requirements are specified in the order, the Supplier shall warrant to provide the delivered items in good merchantable quality and, insofar as DIN, VDE, VDI or equivalent standards exist, in accordance with such standards. The Supplier shall furthermore warrant that the delivered items are manufactured and equipped so that on the day of delivery they fulfil the legal requirements at the place of operation.
- 3.4 The Supplier undertakes to submit Supplier's declarations in accordance with relevant legal provisions and to hand over to us, upon request, any documents required for export, etc. The Supplier shall be liable for any disadvantages incurred by HAWART resulting from a breach of the above stipulated obligations by the Supplier.
- 3.5 Only steel from European steel mills will be accepted, unless there is an agreement to the contrary in writing.
- 3.6 Unless otherwise agreed upon, the handing over of material certificates and other documents, which are necessary for the certification of the delivery item, is part of 3.1 according to these Terms and Conditions.

4 Documents, Manufacturing Equipment, Confidentiality

- 4.1 All documents made available to the Supplier or prepared by the Supplier in accordance with the specifications provided by HAWART (drawings, samples, etc.) as well as all data must only be used by the Supplier for the purpose of preparing the offer and executing the deliveries ordered. The Supplier shall keep such documents and data with due diligence and protect it against third party access. Such documents and data - including any copies or reproductions - shall be returned immediately and without further request after the inquiry has been completed or after the delivery has been executed.
- 4.2 Models or samples made available to the Supplier by HAWART or which were made in accordance with the specifications provided by HAWART must neither be sold, pledged or otherwise transferred nor be used in any way on behalf of third parties without the written consent of HAWART. Items/objects that were developed or further developed by HAWART in collaboration with the Supplier must solely and exclusively be delivered to HAWART.
- 4.3 At the request of HAWART, a contract shall only become effective on the day a separate confidentiality agreement is signed or when an agreement to that end is reached.

5 Dates and Deadlines

- 5.1 The agreed term of delivery shall commence upon the conclusion of the contract.
- 5.2 The day of delivery is deemed to be the day the ordered delivery items and the shipping documents are received at the place of delivery stipulated by HAWART.
- 5.3 If it becomes evident that a delivery date will be exceeded, the Supplier must inform HAWART immediately of the reason and expected duration of such delay.
- 5.4 Notwithstanding this, exceeding a delivery time shall give rise to the statutory consequences of default.
- 5.5 HAWART shall not be obligated to accept any partial, excess or short deliveries.

6 Packaging, Shipping and Acceptance

- 6.1 The Supplier shall provide for adequate packaging of the goods to be delivered within the scope of customary practice.
- 6.2 Shipment shall be dispatched to the receiving point specified by HAWART and the risk for the goods shall pass to HAWART this receiving point. Deliveries for which HAWART is to bear the freight charges, in whole or in part, shall be transported using the most economic mode of transport at the most favourable freight rate for HAWART. The shipping instructions of HAWART must be observed.
- 6.3 Every shipment shall be accompanied by a delivery note/shipping ticket, including the key data specified on the order specified on the order.
- 6.4 HAWART may refuse acceptance of the delivered goods if an event of force majeure or any other circumstances beyond the control of HAWART, including labour disputes, temporarily render the acceptance of the delivered goods impossible. In such a case, the Supplier shall store the delivered goods at its own costs and risk.

7 Invoices and Payments

- 7.1 Invoices shall be submitted stating the key data noted on the order.
- 7.2 Payments to the Supplier shall be effected by HAWART after receipt of the unobjectionable goods at the specified point of delivery and receipt of a verifiable invoice in absence of a separate agreement within 14 days with a cash discount of 3% or within 30 days net.

8 Assignment, Set-Off

- 8.1 Without the written consent of HAWART, the Supplier shall not be entitled to assign claims against HAWART to third parties either in whole or in part.
- 8.2 The Supplier shall not be entitled to set any counterclaims off or to assert a right of retention unless the counterclaims are undisputed and have been finally determined in a court of law.

9 Defects

- 9.1 The Supplier warrants that the delivered items are of the agreed quality, correspond with state-of-the-art science and technology and do not contain any defects/deficiencies which may offset or impair their value or fitness for ordinary use or use as laid down in the agreement. In addition, the Supplier shall be liable for the fact that neither the delivery nor the use of the delivered item will infringe the rights of third parties, in particular patents or other industrial property rights.
- 9.2 If the delivered item is defective, HAWART shall be entitled to the statutory defect claims - without limitation - subject to the provision that the period for claims stipulated in § 377 HGB (German Commercial Code) is at least 3 working days. In the case of latent defects, those appearing during processing or commissioning of the delivery item, the period for claims shall only commence with their detection.
- 9.3 In cases of rectification or subsequent delivery, the Supplier shall bear all costs associated with the removal, transport or disposal of such defective parts, as well as those costs associated with the transport and installation of such repaired or subsequently delivered parts.
- 9.4 The period of limitation for defects shall be subject to statutory provisions.

10 Damages and Liability

- 10.1 Should a claim for damages be raised against HAWART by third parties as a result of a defect in the product, the Supplier shall hold harmless and indemnify HAWART against such claims insofar as the damage has been caused by the raw materials, partial products delivered or services rendered by the Supplier. Apart from that, the Supplier shall be liable in accordance with the statutory provision.

11 Final Provisions

- 11.1 The place of fulfilment for the Supplier is the corresponding place of receipt specified by HAWART.
- 11.2 The place of jurisdiction shall be the competent court for the registered offices of HAWART. However, HAWART shall be entitled to assert claims at the courts which have jurisdiction over the Supplier's place of business.
- 11.3 German law shall apply to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.
- 11.4 Should any individual provisions of a contract, of which these Terms and Conditions form part of, be or become invalid, the validity of the remaining provisions of the contract shall not be affected thereby.

Ganderkesee, as of: 12/2013