Terms and Conditions of Sale Krampe Landtechnik und Metallbau GmbH Issue date: 1 October 2016



1. General

The following terms of delivery shall apply to all contracts, deliveries and further services, including all consultancy services that do not form part of a separate consultant contract unless they are amended or excluded with the express and written consent of the Seller. These terms shall apply to contracts made with customers who are entrepreneurs as defined by Section 14 of the German Civil Code or juristic persons of public law or a Special Fund under public law. Full-time or part-time farmers who generate an income from their farming business are not considered as consumers within the meaning of the law. Any conditions set by the Purchaser shall not form an integral part of this contract. This shall also apply if the Seller does not opt out once again and delivers the contractually owed service without reservation. Any agreements deviating from these terms shall be included in the order confirmation

2. Quotations and scope of delivery

- 2.1. All quotations by the Seller are non-binding. All deliverables forming part of the quotation including photos, drawings, weights and dimensions are approximations unless explicitly deemed binding. The changes shall be deemed appropriate and acceptable by the Purchaser unless they exceed what is customary. Any data as to the Goods' performance, output and capacity and running costs are average values. The Seller reserves the intellectual property right and title in all quotations, drawings and any further documentation which shall not be made accessible to third parties.
- 2.2. Orders shall be binding for the Purchaser for a maximum term of 6 weeks unless a different period of delivery was explicitly agreed on. The purchase contract is deemed binding when the Seller confirms in writing the acceptance of the order of the Goods set forth in the contract within this period or when the delivery is completed. Notwithstanding, the Purchaser undertakes to immediately give notice of revocation or rejection of the order.
- 2.3. All agreements made between the Seller and Purchaser shall be made in writing in the relevant delivery contract. This shall apply also to verbal side-agreements and assurances. Any subsequent oral alterations to the contract shall be set down in writing by the contractual partners within the shortest possible time frame and shall be included in the delivery contract as a supplement.
- 2.4. The Seller reserves the right to make changes to the design and form of the Goods, provided such changes are not substantial and can be deemed as acceptable by the Purchaser.
- 2.5. The contract shall comprise all descriptions on the scope of delivery, appearance, performance, dimensions, weights, liquid consumption levels and running costs. This information shall form the yardstick to determine the Goods' absence of defectiveness.
- 2.6. If the country of destination requires any importing licences or any further type approval, the Purchaser shall provide the Seller with the appropriate numbers, dates of approval and period of validity.

3. Pricing and payment

- 3.1. In the absence of any special agreement, all prices shall be ex stock or, if the Goods are shipped from the manufacturer's factory, ex works and without packaging. All pricing is exclusive of VAT. The Seller shall have the right to invoke negotiations on repricing the Goods, if the delivery is to be made more than 4 months after the contract is made and should upstream suppliers increase their prices or wages and if transport costs increase unexpectedly during this period. The price agreed shall be binding on the Seller for the duration of the agreed period of delivery but for at least 4 months. Any extra costs incurred by the Seller due to the Purchaser's failure to accept delivery can be claimed from the Purchaser by the Seller.
- 3.2. In the absence of any special agreement, payment shall be made within 12 days without any deductions and within 12 days free at paying agent after the Goods were delivered or provided and the invoice received. The Seller's right of retention according to Section 320 German Civil Code shall not be affected by the above.

Any cash discounts granted shall apply only under the provision that the Purchaser is not in arrears with payments for earlier deliveries.

3.3. The Seller shall accept bills of exchange eligible for discount and properly taxed under the provision that such payment was agreed. Any credit notes on bills and cheques shall be subject to crediting to the Seller's account deducting the expenses on the value date at which the Seller is in cash of the value.

- 3.4. The offsetting of counterclaims that are rejected by the Seller or of such counterclaims that are not recognised by declaratory judgement shall not be admissible. The Purchaser shall not be able to enforce a right of retention unless it is based on claims under the purchase contract. If a claim for a defect is made, the Purchaser may withhold payment to an amount that is reasonably proportional to the defect.
- 3.5. Payments shall be made only to an employee of the Seller who has a valid authority to collect money.

4. Delivery terms and delay in delivery

- 4.1. Delivery terms and dates are binding only under the provision that the Seller has explicitly termed them as such. The delivery term shall begin on the date the contract is made, however not before the Purchaser has supplied any necessary documentation and approvals and not before the agreed down-payment has been credited to the Seller's account.
- 4.2. Subject to correct and timely delivery from upstream suppliers.
- 4.3. The term of delivery shall be reasonably extended if the delay is caused by industrial disputes, in particular strikes and lock-outs or by any hindrance that could not have been foreseen and is unavoidable by the Seller or his agents, provided such events have a proven effect on the delivery of the sold Product.
- 4.4. The same shall apply if the Seller is not supplied by his suppliers in due time. The Seller shall have the right to withdraw from the contract if the supplier does not deliver. However, this shall not apply if the failure to deliver is the fault of the Seller (e.g. default of payment).
- 4.5. Delivery within the specified time shall be subject to the Purchaser's compliance with his/her contractual duties.
- 4.6. The Seller shall not be held responsible for any delay or impossibility of delivery which is the fault of his upstream supplier. This shall not apply to fault due to poor choice or supervision. This shall not apply to a Seller-Purchaser relationship that is based on contract for work and services. In any case, the Seller shall be obliged to indemnify the Purchaser should the Purchaser be unable to enforce all claims assigned to him on the upstream supplier.
- 4.7. To hold the Purchaser in default, the Seller may have recourse either to the statutory term of payment as defined by Section 286 Sub-Section 3 German Civil Code (including reminder) or set the Purchaser a calendarbased term of payment that is different from the term stated in sub-paragraph III.2 within the meaning of Section 286 Sub-Section 2 German Civil Code.

5. Field trial

- 5.1 Any trial run in the field shall require the explicit and written consent of Krampe.
- 5.2 Our General Terms on Field Trials apply.

6. Passing of risk and shipping

- 6.1 In the absence of any special agreement on shipping, the Seller shall have the right to choose the route and means of shipment of the Goods.
- 6.2. If the sale is a sale by delivery, the risk shall pass to the Purchaser at the moment the Goods are handed over to the carrier or forwarding agent, yet at the latest when the Goods leave the warehouse or the factory when drop-shipping. This shall also apply to part delivery or to situations where the Seller has agreed to deliver further services. The Goods shall be insured as requested by the Purchaser and at the Purchaser's costs.
- 6.3. If despatch of the Goods is delayed by circumstances that are the responsibility of the Purchaser, the risk shall pass to the Purchaser on the day the transfer of the Goods to the Purchaser was offered to the Purchaser. Upon request the Seller is obligated to maintain insurance coverage at the cost of and as requested by the Purchaser.
- 6.4. The Purchaser shall accept the items delivered without prejudice to the provisions stated under Sub-Section VII (notice of defects and liability for defects) even though the items may have minor defects.
- 6.5. Part deliveries shall be permitted insofar as this is deemed acceptable to the Purchaser.



7. Retention of title

- 7.1. The Seller shall retain title until full payment has been made of all payable debts arising from the contract.
- 7.2. The Purchaser is obliged to use the Goods with care and protect them from interference by a third party and provided this is agreed in writing, an extended credit term is granted or the Goods are purchased on credit insure the Goods immediately at reinstatement value from fire, theft and water and produce proof of this upon request; otherwise the Seller shall be able to seek insurance coverage himself at the cost of the Purchaser. The Purchaser agrees to assign to the Seller any claims for compensation.
- 7.3. The Purchaser may not give a third party good title to the Goods without the consent of the Seller. The Purchaser agrees to inform the Seller in writing and without delay about any seizure in execution or any other procedures incurred by a third party so that the Seller may take legal action in accordance with Section 771 German Code of Civil Procedure (ZPO). Should the third party be unable to compensate the Seller for judicial and extra-judicial costs incurred when taking legal action in accordance with Section 771 German Code of Civil Procedure (ZPO), the Purchaser shall be under obligation to reimburse the costs.
- 7.4. The Purchaser shall have the right to sell the Goods in a regular business transaction. The Purchaser shall assign to the Seller all claims and debts amounting to the total sum invoiced (including VAT) which the Purchaser earns by selling the Goods to his clients or a third party, regardless of whether the Goods are sold without modification or after modification. The Purchaser shall be entitled to recover these debts also after they have been transferred to another party. This shall not affect the Seller's right to recover the debts himself. Yet the Seller shall not recover the debts as long as the Purchaser meets all his/her financial obligations promptly and properly. Otherwise the Seller can require the Purchaser to make known the debts transferred and the debtor and to furnish all information necessary to recover these debts, to hand over all pertinent documents and to inform the debtor of the transfer of the debt.
- 7.5. During the period in which the Seller retains title, the Seller shall have the exclusive right to own the registration document, provided such document was issued for the Goods.
- 7.6. Should the Purchaser be in breach of the contract, in particular due to delay of payment, the Seller shall have the right to reclaim the Goods after reminding the Purchaser and stating his repudiation of the contract, and the Purchaser shall then be obliged to return the Goods.
- 7.7. All costs incurred in the return and realisation of the Goods shall be borne by the Purchaser. The costs of realisation shall be 10% of the proceeds from the realisation including VAT and without requiring proof. The costs shall be set at higher or lower levels if the Seller proves higher costs or the Purchaser proves lower costs. The proceeds shall be credited to the Purchaser after deducting the costs and other claims made by the Seller within the framework of the purchase contract.
- 7.8. If the value of the pledges exceeds the secured debts by more than 20%, the Seller shall be obliged to release some securities of Seller's choice upon request by the customer.

8. Defective goods and liability

The Seller shall accept liability for the following defects:

- 8.1. The Purchaser shall inspect the received Goods immediately after delivery for correctness of number, quality and undertaken quality and report any obvious defects promptly and in writing. If the contract constitutes a commercial transaction for both parties, Section 377 German Commercial Code (HGB) shall apply under the condition that visible defects are reported to the Seller in writing within 14 days.
- 8.2. All those parts shall be repaired or delivered as new parts that are found to be unusable or considerably impaired in their use notably due to a defective design, poor material or poor build by circumstances that precede the transfer of risk. The choice hereof shall rest with the Seller. All parts replaced in the repair shall become the property of the Seller. When replacing the Goods as a whole in remedy of the defect, the Seller shall be entitled to receive from the Purchaser unlimited compensation for loss of use of the item taken back. The compensation shall be based on the average hiring costs that would have arisen during the period of use.
- 8.3. The right of the Purchaser to claim compensation for defects to the new Goods shall become statute-barred after 12 months from the moment the risk is transferred. The Purchaser may be entitled to claim for damage of used Goods under the condition that the Seller explicitly agreed to this in writing.

- 8.4. No liability shall be accepted for damage that arises from one of the following reasons: Unsuitable or improper use; faulty assembly or incorrect starting up by the Purchaser or a third party; missed maintenance intervals as are usual and/or recommended by the manufacturer; normal wear and tear in particular of wear parts; incorrect or negligent handling; use of unsuitable iliquids or replacement materials; defective construction work, unsuitable construction terrain; chemical, electronic or electrical influences unless these are the responsibility of the Seller.
- 8.5. If the Seller removes the defects, the Purchaser shall give the Seller a suitable deadline for the work necessary. The Purchaser shall not have the right to have the defect remedied by a third party and ask the Seller for reimbursement of such costs except in cases of emergency when the machine's operational reliability is at risk and disproportionately high damages may result. The Seller shall be notified immediately of such measures.
- 8.6. All replacement parts and repairs shall become statute-barred for damage after 12 months. The period of liability for the defective part shall be extended by the amount of time during which the Goods were withdrawn from use for the repair.
- 8.7. Any liability shall be cancelled for collateral damage that arises from improper modifications or repairs made by the Purchaser or by a third party without prior approval of the manufacturer.
- 8.8. If the Seller fails to remedy the defect or if the supply of the replacement part fails in a number of attempts, the Purchaser shall have the right to repudiate the contract (cancellation of contract) or request an appropriate discount on the payment (price reduction). As a rule, the Seller shall be given two attempts and a reasonable deadline to remedy the defect while taking into account the inconvenience caused to the Purchaser.
- 8.9. Claims for damage are subject to Sub-Section VIII.

9. Limited liability and compensation for loss or damage

- 9.1. The Seller's liability is subject to German legislation. No liability shall be accepted no matter for which legal ground unless there has been a fundamental breach of duty that was neither intentional nor a gross negligence. This shall not apply to any injury to life, body or health caused by such damage nor if the Seller is covered by liability insurance. In this case, the Seller shall assign his/her claim against the insurance to the Purchaser.
- 9.2. The claims to be made by the Purchaser against the Seller shall become statute-barred according to German law. However the limitation period is six months provided the Seller has rejected in writing a claim of the Purchaser as unfounded.

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

- 10.1. The place of fulfilment and exclusive place of jurisdiction for deliveries and payment as well as all conflicts arising from the contract between the parties shall be the headquarters of the Seller under the provision that the two contractual parties are traders according to German Commercial Code (HGB) or legal persons of public law or a Special Fund under public law (Section 38 German Code of Civil Procedure (ZPO). All other matters are subject to German law.
- 10.2. The relationships between the contractual parties are exclusively governed by the law of the Federal Republic of Germany to the exclusion of the UN Sales Conventions.

11. Data Protection Statement

The Seller shall store and process personal data of the Purchaser in compliance with data protection legislation and within the scope of the contract between the Seller and Purchaser and shall not be disclosed to third parties without the express consent of the Purchaser.

This is a translation, without obligation on our part, of the German original. Authoritative for construction and interpretation of these Terms and Conditions shall be the German version only.