

General Terms and Conditions of KASTO Maschinenbau GmbH & Co. KG (based on the "VDMA Conditions for the Supply of Machinery for Domestic Trade")

(2/2022)

I. General Information

1. All deliveries and services shall be based on these conditions as well as any separate agreements. Deviating purchase conditions of the Buyer shall not be part of the contract even with acceptance of the order.

In the absence of any special agreement, a contract shall come into existence upon the Supplier's written order confirmation. The formation of an order is possible only in the case of non-critical export control inspection.

2. The Supplier shall reserve the rights to samples, cost estimates, drawings and similar tangible or intangible information - even of electronic nature; such information may not be disclosed to third parties. The Supplier shall agree not to disclose information and documents specified as confidential by the Buyer to third parties without the express consent of the Buyer.

II. Price and Payment

1. In the absence of a specific agreement, all prices shall be ex-works, including loading in the plant; however, they shall not include packaging and unloading. The value added taxes shall be added to the prices at the applicable statutory rate. For deliveries abroad, all public charges (taxes, foreign value added tax, other fees and expenditures, customs duties, etc.) arising from or in connection with the conclusion or completion of the transaction, even if not levied in the Federal Republic of Germany, shall be borne by the Buyer.

2. In the absence of a special agreement, the payment shall be made without any deduction to the account of the Supplier, namely:

- 1/3 deposit upon receipt of order confirmation,
- 1/3 as soon as the Buyer is notified that the main components are ready for dispatch,
- the remaining amount within one month after transfer of risk.

3. The Buyer shall be entitled to the right to withhold payments only insofar as his counterclaims are undisputed or established as legally binding.

4. The Buyer has the right to offset counterclaims based on other legal relationships only insofar as his counterclaims are undisputed or established as legally binding.

III. Delivery Period and Delivery Delays

1. The delivery period shall be based on the agreements between the contracting parties. Compliance with these agreements by the Supplier presupposes that all commercial and technical questions between the contracting parties have been clarified and that the Buyer has fulfilled all obligations, such as providing the necessary official licenses or permits or performance of a down payment. Should this not be the case, the delivery period shall be adequately extended. This shall not apply if the Supplier is responsible for the delay.

2. Compliance with the delivery time is subject to correct and timely self-supply. The Supplier shall notify

the Buyer of any anticipated delays as soon as possible.

3. The delivery period shall be deemed complied with if the delivery item has left the Supplier's factory or the item has been reported as ready for dispatch by the time the delivery period expires. Insofar as acceptance is required, the acceptance date shall apply - except in the case of justified refusal of acceptance - alternatively the notification of readiness for acceptance.

4. If shipment or acceptance of the delivery item is delayed due to reasons for which the Buyer is responsible, the costs incurred as a result of such delays shall be charged to the Buyer beginning one month after notification of the shipment or readiness of acceptance.

5. Should the failure to comply with the delivery period result due to force majeure, labour disputes or any other events beyond the control of the Supplier, the delivery period shall be adequately extended. The Supplier shall notify the Buyer of the beginning and end of such circumstances as soon as possible.

6. The Buyer may rescind the contract without notice if the Supplier is unable to provide the complete services before the transfer of the risk. Furthermore, the Buyer shall be entitled to rescind the contract if in the case of an order, the execution of a part of the delivery becomes impossible and the Buyer has a justified interest in refusing the partial delivery. If this is not the case, the Buyer shall be obligated to pay the contract price attributable to the partial delivery. This shall also apply to the Supplier's inability to perform. Otherwise section VII.2 shall apply.

If the impossibility or inability occurs during the delay in acceptance or if the Buyer is solely or predominantly responsible for these circumstances, the Buyer shall remain obligated to provide consideration.

7. Should the Supplier fall behind in delivery and such a delay results in damage to the Buyer, the Buyer shall be entitled to claim liquidated damages. The liquidated damages shall amount to 0.5% for each full week of delay, however, not exceed in total 5% of the value for the part of the complete delivery that cannot be used on time or in accordance with the contract as a result of the delay.

If the Buyer sets - taking into account the statutory exceptions - a reasonable deadline for the Supplier to complete the service after the due date and if the deadline is not met, the Buyer shall be entitled to withdraw from the contract within the scope of the statutory provisions. The Buyer shall be obligated to inform the Supplier within a reasonable period, whether he intends to exercise his right to withdraw from the contract.

Further claims due to the delay in delivery shall be exclusively based on section VII.2 of these conditions.

IV. Transfer of Risk, Acceptance

1. The risk shall pass to the Buyer when the delivery item has left the factory, even if partial deliveries are made or the Supplier has assumed other services, e.g. shipping costs or delivery and setting up. Insofar as an acceptance is required, this shall be decisive for the transfer of risk. It must be carried out without delay by the agreed acceptance date, alternatively after the Supplier's notification of readiness for acceptance. The Buyer may not refuse acceptance in the event of a non-substantial defect.

2. If the shipment or acceptance is delayed or is not performed for reasons for which the Supplier is not responsible, the risk shall pass to the Buyer on the date of the notification of the shipment or readiness for acceptance. The Supplier undertakes to obtain insurance

for the items upon request and at the sole expense of the Buyer.

3. Partial deliveries shall be permitted provided they are reasonable for the Buyer.

4. A work shall also be deemed to be accepted if the Supplier has set a reasonable deadline for acceptance by the Buyer after completion of the work (the deadline shall not exceed two weeks) and the Buyer has not refused acceptance within this deadline by specifying a substantial defect.

V. Retention of Title

1. The Supplier shall retain ownership of the delivery item until all payments under the delivery contract have been received - including any additional ancillary services owed.

2. The Supplier shall be entitled to insure the delivery item against theft, breakage, fire, water and other damage at the Buyer's expense, unless the Buyer can provide proof that he has obtained such insurance himself.

3. The Buyer may not sell, pledge or assign the delivery item as security. In case of pledges and seizure or other orders by third parties, the Buyer shall notify the Supplier immediately.

4. If the Buyer breaches the agreement, in particular in the event of default in payment, the Supplier shall be entitled to repossess the delivery item after issuing a reminder, and the Buyer shall be obliged to surrender the delivery item.

5. On the basis of the retention of title, the Supplier may only demand the return of the delivery item if he has withdrawn from the contract.

6. If the delivery item is interconnected by the Buyer with other items not belonging to the Supplier, the Supplier shall acquire co-ownership of the new item in proportion to the value of the purchased item (final invoice amount including VAT) to the other interconnected items at the time of connection.

7. If the Buyer sells the delivered item, he hereby transfers all claims against its Buyers arising from the sale to the Supplier with all secondary claims until all Supplier claims have been settled in full. However, the Supplier agrees not to collect the claim as long as the Buyer meets his payment obligations.

8. The Supplier agrees to release the securities to which he is entitled at the Buyer's request insofar as the realisable value of the securities exceeds the claims to be secured by more than 10%, the selection of the securities to be released is up to the discretion of the Supplier.

VI. Claims for Defects

The Supplier shall be liable as follows for material defects and damage to title regarding the delivery excluding other claims - subject to section VII:

Material defects

1. The Supplier shall at his discretion rework or replace parts damage-free which prove to be defective as a result of circumstances occurring before the passage of risk. The Supplier shall be notified immediately in writing if such a defect is detected. Replaced parts shall become the property of the Supplier.

2. The Buyer shall, in coordination with the Supplier, grant the Supplier the required time and opportunity to



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perform the necessary rework and replacement deliveries; otherwise, the Supplier shall be released from the liability for the resulting consequences.

Only in urgent cases in which the operational safety is at risk or to prevent disproportionately serious damage, whereby the Supplier shall be notified immediately, shall the Buyer have the right to remedy the defect or have it remedied by third parties, and to demand compensation of the necessary costs from the Supplier.

3. The Supplier shall bear - provided the complaint is deemed justified - the direct costs of the rework or replacement delivery including shipment fees. Furthermore, the Supplier shall bear any possible required installation and removal costs, provided it is the object of the original service, as well as the costs of any other provision of personnel including travel costs, as long as this does not impose a disproportionate burden on the Supplier.

4. If the Buyer issues the Supplier an adequate period to complete the rework or replacement due to any material defect - taking into account the statutory exceptions - and this period is not fulfilled, the Buyer shall be entitled to withdraw from the contract within the scope of the statutory regulations. If the defect is just minor, the Buyer shall only be entitled to a reduction of the purchase price. The right of reduction of the purchase price shall otherwise be excluded.

5. Further claims shall be exclusively based on section VII. 2 of these terms and conditions.

6. Liability shall not be assumed in the following cases, in particular: Unsuitable or improper use, faulty installation or commissioning by the Buyer or third parties, natural wear and tear, improper or careless handling, improper maintenance, unsuitable operating materials, defective construction work, unsuitable building site, chemical, electrochemical or electrical influences - provided the Supplier is not responsible for them.

7. If incorrect rework is performed by the Buyer or third parties, the Supplier shall not be liable for the resulting consequences. The same shall apply to modifications made to the delivery item without previous consent from the Supplier.

8. In the case of sawing and storage systems manufactured individually for the Buyer, the Buyer's right to withdraw from the contract shall be excluded, provided that installation has been completed.

Damage to title

9. Should the use of the delivered items result in an infringement of industrial property rights or copyrights in the country, the Supplier shall at his own expense provide the Buyer the right to continue to use or modify the delivery item in a manner acceptable to the Buyer ensuring that no infringement of industrial property exists.

If this is not possible under reasonable economic conditions or within a reasonable period, the Buyer shall be entitled to withdraw from the contract. Under the provisions cited above, the Supplier shall likewise be entitled to withdraw from the contract.

Furthermore, the Supplier shall indemnify the Buyer from any undisputed or legally enforceable claims of the respective holders of the intellectual property rights.

10. Subject to Section VII. 2, the obligations of the Supplier set forth in Section VI. 8 shall be conclusive in the event of infringement of industrial property rights or copyrights.

These exist only when

- the Buyer immediately informs the Supplier of any industrial property or copyrights claimed,
- the Buyer supports the Supplier to a reasonable extent in defending asserted claims or enables the Supplier to conduct modifications in accordance with VI. 8,
- the Supplier retains the rights to all defence measures including any settlements out of court,
- the damage to title is not based on an instruction by the Buyer,
- the legal violation was not caused as a result of the Buyer modifying the delivery item without authorisation or used the item in a manner contrary to the terms of the contract.

VII. Supplier's Liability, Exclusion of Liability

1. If the Buyer is unable to use the delivery item as per the contractual agreement due to the fault of the Supplier as a consequence of the failure to provide suggestions or consultation or faulty suggestions or consultation that was provided before or after entering the contract, - in particular, instructions on operation and maintenance of the delivery item - the provisions of the sections VI and VII. 2 shall apply to the exclusion of further liability.

2. The supplier shall be liable for damages which are not incurred on the delivery item itself - regardless of the legal grounds - only

- a. in the event of wilful intent and gross negligence,
- b. in the event of culpable damage to life, limb or health,
- c. in the event of defects that the Supplier has maliciously concealed.
- d. within the scope of a promise of guarantee,
- e. in the event of defects in the delivery item, insofar as liability exists under the Product Liability Act for personal injury or property damage in the context of privately used items.

In the event of culpable breach of essential contractual obligations, the Supplier shall also be liable in the event of ordinary negligence, but limited to the reasonably foreseeable damage typical in the context of the contract.

No further entitlements shall exist.

VIII. Statute of Limitations

All claims on the part of the Buyer - regardless of the legal grounds - shall be subject to a statute of limitations of 12 months. This shall also apply to the statute of limitations for recourse claims in the supply chain as per § 445b paragraph 1 BGB (German Civil Code), provided the last contract in this supply chain is not a sale of consumer goods. The suspension of statute of limitations from § 445b paragraph 2 BGB remains unaffected. For damage claims according to Section VII. 2 a-d and f, the statutory terms shall apply. They shall likewise apply to defects to buildings or for delivery items that were used, pursuant to their customary use, for a building and have caused the defectiveness thereof.

An extension of the warranty to 24 months is only possible in conjunction with the order of the corresponding option.

IX. Software Utilisation

Insofar as software is included in the scope of delivery, the Buyer shall be granted a non-exclusive, non-transferable, perpetual right to use the delivered software including its documentation within the scope of the service description. It shall be provided for the use of the delivery item intended for this purpose. The utilisation of the software on more than one system shall be prohibited. In the case of the delivery of systems with several operating stations (network license), the use of the provided software is only permitted on the agreed number of data processing units.

Any use of the software contrary to or outside the conditions of use specified in the service description as well as any change, modification or adaptation of the software by the Buyer (e.g. software database request or similar) shall render the Buyer's warranty rights null and void. The installation of third-party software on the delivered system components is only permitted with the express consent by Supplier.

The Buyer may only reproduce, revise, translate or convert the software from the object code to the source code to the extent permitted by law (§§ 69 a et seq. of the German Copyright Act). The Buyer agrees not to remove or change the manufacturer's specifications - in particular, copyright references - without the prior express consent of the Supplier.

All other rights to the software and documentation including copies thereof shall remain with the Supplier or with the software supplier. The issuance of sub-licenses shall not be permissible.

X. Applicable Law, Place of Jurisdiction

1. All legal relations between the Supplier and the Buyer shall be subject exclusively to the law of the Federal Republic of Germany.

2. The venue shall be the court of law having jurisdiction for the Supplier's domicile. However, the Supplier shall be entitled to file suit at the Buyer's domicile.



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