

## 1. General / Scope of validity

The following General Terms and Conditions apply to all Offers and Contracts that are the object of orders of goods and services at RONO Maschinenbau GmbH (hereinafter referred to in short as RONO). They apply exclusively to entrepreneurs within the scope of § 310 Section 1 BGB (German Civil Code). The Purchaser's Conditions that deviate from these or go beyond these do not become an integral part of the contract even through the acceptance of the Contract.

## 2. Price and payment

All prices are net prices excluding value added tax and other tolls or fees. The minimum order value for all deliveries and services is EUR 50.00. Insofar as nothing has been agreed to the contrary, immediately after the conclusion of the Contract 1/3 of the Purchase Price becomes due, and also the remaining 2/3 of the Purchase Price is to be guaranteed through a documentary credit that is to be opened immediately and is irrevocable and confirmed, that is payable upon notification of readiness of RONO to post the goods; but payable at the latest at the presentation of the bill of lading. Services must be paid for in full within 14 days after the issuing of the invoice, insofar as nothing has been agreed to the contrary. In the case of late payment, RONO is entitled to charge default interest.

After notification by RONO of readiness to post the goods, the payment of amounts owed must be made immediately upon request. Otherwise RONO is entitled to reject the Order, without the resulting obligations that it has becoming due to the Purchaser, and may at its own discretion sell the equipment elsewhere. The assertion of a further claim for damages is not excluded.

## 3. Delivery commitments and delivery time

Offers from RONO are not binding. Obligations to deliver are subject to the proviso of delivery to us.

A Contract comes into being with the notification of the written confirmation of the Order. Insofar as nothing has expressly been agreed to the contrary, all deliveries shall be understood to be by RONO ex works (EXW Selmsdorf, in accordance with Incoterms 2010). The packaging of the goods, as well as insurance and transport take place at the costs and at the risk of the Purchaser. RONO is entitled to partial deliveries in a reasonable scope.

The delivery time results from the Agreements of the Contracting Parties. Their observance by RONO has as a prerequisite that all commercial and technical matters between the Parties have been settled and the Purchaser has fulfilled all duties that are incumbent upon it. If this is not the case, then the delivery time will be lengthened accordingly. This does not apply insofar as RONO is responsible for the delay.

If the Purchaser falls into default of acceptance or if it culpably breaches other obligations to cooperate, then RONO is entitled to demand the damages including any additional expenses that have been incurred as a result of this. If RONO defaults and damages to the purchaser result from this, then he is entitled to demand a flat-rate compensation for default. Under consideration of a grace period of 5 working days it amounts to 0.5% of the net delivery value for each full week of the delay, limited in total to a maximum of 5% of the net delivery value of the goods that are delivered late.

If the non-adherence to the delivery time can be traced back to force majeure, to industrial disputes or other events that are outside of the sphere of influence of RONO, then the delivery time is correspondingly extended. This also applies if these circumstances happen to sub-contractors. RONO will inform the Purchaser of the start and end of these kinds of circumstances as soon as possible.

## 4. Liability for defects

The basis of the liability for defects is especially the Agreement concluded concerning the condition of the goods according to the order confirmation. Claims for defects, made by the Purchaser, have as a prerequisite that it has properly fulfilled its responsibilities for inspection. Therefore the Purchaser must check the goods immediately after delivery and inform RONO in writing of objections due to obvious defects or wrong deliveries immediately; at the latest, however, three working days after delivery of the goods. Hidden defects of the delivery item must be pointed out in writing by the Purchaser immediately after discovery. If the Purchaser does not comply with this obligation, then the goods shall be deemed to have been delivered free from defects.

A defect is not present if the delivery item has the agreed condition at the transfer of risk. A defect shall also not be deemed to be present in the case of improper or incorrect use, incorrect storage, deficient assembly or commissioning by the Purchaser or third parties, natural wear, deficient or negligent treatment, incorrect maintenance or the use of unsuitable operating materials, for which RONO is not responsible.

In the case of timely and justified notification of defects RONO shall either mend the defects free of charge or redeliver. RONO is entitled to undertake at least two attempts of supplementary performance.

The General Limitations of Liability according to Point 8 apply to the claim for damages.

All claims for defects become time-barred 12 months after the transfer of risk of the delivery object.

## 5. Commissioning and services

Insofar as RONO also offers the Purchaser special services, the following Provisions additionally apply:

During the execution of the works the Purchaser must guarantee RONO, free of charge, the free and unhindered access to its place of business and its facilities and to offer it practical support in appropriate scope. The Purchaser must also secure and pay for official permits that are necessary so that RONO can carry out the works at the Purchaser's location.

The Purchaser is responsible for its own personnel, its equipment, its plants and facilities and must ensure that relevant documents, drawings and operation manuals are made available for its own operational plants and facilities. The Purchaser must furthermore ensure power sources and appropriate environmental conditions that are necessary so that RONO can provide its services.

The purchaser must ensure that the personnel of RONO can provide the services immediately after arrival and can complete them without interruption. If this is not the case, then the resulting additional expenses shall be invoiced to the Purchaser.

## 6. Reservation of title

RONO reserves the ownership of the delivery item (goods subject to the reservation) until the complete payment of all present and future receivables from transactions with the Purchaser. So long as the ownership has not yet been transferred to it, the Purchaser is obliged to treat the goods subject to the reservation with care and to inform RONO immediately in writing if the delivery item is pawned or made subject to other third-party interventions.

The Purchaser is entitled to resale of the goods subject to reservation in the normal course of business. The orderer shall transfer to RONO in advance all receivables from third parties resulting from this in the amount of the total invoice amount. This transfer applies regardless of whether the goods subject to reservation have been resold without or after processing. Regardless of this transfer the Purchaser continues to be entitled to collection of this receivable.

A processing or restructuring of the delivery item is always undertaken by the Purchaser for RONO. If the goods subject to reservation are processed with other items that are not in the property of RONO, then RONO Maschinenbau GmbH obtains the co-ownership of the new item in the relationship of the value of the item purchased to the other processed items at the time of processing. In the case of behaviour of the Purchaser that is contrary to the Contract, especially in the case of default of payment, RONO is entitled to take back the goods subject to reservation after a warning and to the withdrawal from the Contract and the Purchaser is obliged to the surrender. The request for opening of the insolvency procedure for the assets of the Purchaser entitles RONO to demand the return of the goods subject to reservation with immediate effect and to immediately withdraw from the Contract.

## 7. Drawings, calculations, technical data and software

RONO Maschinenbau retains the property and copyright rights to all documents connected with the tender preparation and copying of the order such as datasheets, calculations, product samples, software, drawings or other documents. These documents must not be transferred to third parties without the written permission of RONO.

Insofar as the delivery item also comprises a permanent transfer of software, the Purchaser obtains the temporally unlimited licence for the use of this software, but not the ownership of the delivered software.

## 8. Liability

RONO is liable in accordance with the legal Provisions, insofar as the Purchaser asserts claims to damages which are the intent of RONO. Insofar as RONO is not charged with having violated the Contract intentionally, the liability is limited to the foreseeable, typically occurring damages.

In cases of simple negligence the liability is additionally limited to the amount of the corresponding net Contract value.

RONO is not liable for other losses or damages that result directly or indirectly from the error or deficit, or for lost transactions, lost profit or other consequential damages.

Claims for Ersatz of damages due to product liability as a result of bodily injury or damage to health remain unaffected.

## 9. Other Provisions

Individual written and confirmed agreements of RONO with the Purchaser take priority over these General Terms and Conditions.

Delivery items delivered according to the Contract are not accepted back, unless RONO declares that it is prepared to do so in the individual case following the presentation of exceptional circumstances of the Purchaser.

The Purchaser must obtain all relevant information about the laws in its country, local regulations and other provisions that are applicable to the installation and/or the operation of the plant/equipment.

## 10. Concluding Provisions

The law of the Federal Republic of Germany applies exclusively under exclusion of the UN Sales Convention (CISG).

The exclusive place of jurisdiction is the headquarters of RONO Maschinenbau GmbH in Selmsdorf. However, RONO is also entitled to bring an action at the head office of the Purchaser. Insofar as nothing is agreed to the contrary in the order confirmation, the place of performance is the headquarters of RONO in Selmsdorf.

If individual Provisions of this Contract are ineffective or contain a loophole, then the other Provisions remain unaffected by this. The parties commit to make a legally permissible Provision, in place of the ineffective Provision, which comes closest to the economic purpose of the ineffective Provision, or that fills this loophole.

September 2014

**RONO Maschinenbau GmbH, Ringstraße 6, D-23923 Selmsdorf, Germany**