



**General Conditions
for the Supply of Machines
by IDEAL-Werk C.+E. Jungeblodt GmbH + Co. KG ("IDEAL")
to Customers inside Germany**

Version: October 2020

A. General Provisions

1. The legal relations between IDEAL and Customer (both hereinafter collectively referred to as the "Parties" and, individually, also as a "Party") in connection with the supply of machines and associated services by IDEAL (hereinafter collectively referred to as "Supplies") shall be exclusively governed by these General Conditions ("Terms") and, if applicable, additional conditions referred to in IDEAL's offer and/or order confirmation, all of which terms shall also apply to all future offers and agreements even if they will not be specifically referred to. Customer's general terms and conditions shall apply only if expressly accepted by IDEAL in writing. Conditions and which do not comply with what is stipulated herein shall not apply even if IDEAL accepts any service, supply, payment or other benefit of whatever kind from Customer without objection or if IDEAL performs an order received from Customer which order contains a reference to Customer's general terms of contract.
2. If IDEAL provides installation, commissioning, maintenance, repairs, remote service support (telephone support, troubleshooting/operator guidance via smart glasses, online support) or, if IDEAL supplies spare, wear and replacement parts to Customer, our 'General Conditions for Customer Services and the Supply of Spare Parts of IDEAL-Werk C.+E. Jungeblodt GmbH + Co. KG ("IDEAL") for Use in Contracts with Customers Inside Germany', which can be viewed on the IDEAL home page at www.ideal-werk.com/en/general-conditions, shall apply additionally and with precedence.
3. To the extent Customer provides specifications to IDEAL and subject to explicit agreement to the contrary, IDEAL is under no obligation to review such specifications for correctness and usability. In particular, IDEAL shall not have to examine if the specifications are sufficient and suitable for the purpose of use known to or assumed by IDEAL. If IDEAL renders advice or makes recommendations free of charge, IDEAL is only liable if IDEAL has grossly negligently or intentionally provided wrongful advice or recommendations or if IDEAL is bound to liability by mandatory legal provisions.
4. IDEAL shall be entitled to make changes to the design or the manufacture of the Supplies based on technical or production-related requirements or to comply with statutory standards, provided that the changes are reasonable for Purchaser. In case of doubt, the criterion of reasonableness shall apply to determine if the effects upon the value and the functionality of the Supplies as well as the compliance with agreed or guaranteed performance data are acceptable for Customer.
5. The requirements as regards the Supplies shall - apart from the applicable contractual agreements - only be governed by the statutory provisions and other binding provisions applicable in Germany (e.g. relevant standards). In particular, IDEAL shall not be liable for non-compliance with legal product provisions and requirements that apply outside of Germany.
6. Each, IDEAL as well as Customer undertake to keep in strict confidence all information and knowledge of technical as well as of non-technical nature (including in particular know-how of the other Party) which have come to its attention in the course of preparing or performing the respective contract and each Party shall keep such knowledge at least as confidential as it

keeps confidential and protects its own sensitive information, data, know-how and business secrets. Such information, data, know-how and business secrets may not be disclosed to or made accessible for any third party without the affected Party's consent.

7. The performance of any contract between IDEAL and its customers is conditional upon that no hindrances attributable to applicable national, EU or international rules of foreign trade law or any embargos or other sanctions exist.

B. Prices, Terms of Payment, and Set-Off

1. Prices are FCA IDEAL's facilities at Lippstadt, Germany (in accordance with Incoterms 2020), excluding packaging; value added tax shall be added at the rate applicable at the time of performance.
2. Customer shall undertake to properly dispose of the packaging used for transport or other purposes at its own expense. Packaging will not be taken back by IDEAL, with the exception of wooden pallets, mesh boxes and other transport containers intended for multiple use, which Customer shall return to IDEAL at its own expense.
3. If IDEAL is responsible for the assembly or the erection of products supplied and unless otherwise agreed, Customer shall pay the agreed remuneration and bear any incidental costs required, e. g. for travelling and transport as well as allowances.
4. Payments shall be made net of any deductions, costs, transfer fees etc. into a bank account detailed in IDEAL's order confirmation, IDEAL's invoice or provided in any other manner.
5. Customer may set off against IDEAL's claims only such claims which are undisputed or have been awarded or confirmed by a final and binding judgment or arbitration award.

C. Retention of Title

1. All items to be supplied by IDEAL ("Retained Goods") shall remain IDEAL's property until each and every claim IDEAL has against Customer has been fulfilled. If the aggregate value of IDEAL's security interests exceeds the value of all secured claims by more than 30 %, IDEAL shall release a corresponding part of the security interest if so requested by Customer; IDEAL shall be entitled to determine at its discretion which security interest it is prepared to release.
2. As long as goods supplied by IDEAL are under retention of title, Customer may not pledge the Retained Goods or use them as security, and resale shall be permitted only if the Customer makes the transfer of title to his customer dependent upon that customer fulfilling its obligation to effect all payments which are or will become due to Customer. The foregoing shall in no way release Customer from any of its payment or other obligations vis-à-vis IDEAL. If and when Retained Goods leave the German territory, then all retention of title rights stipulated herein shall continue to exist in a manner which, under the laws of the country where the Retained Goods actually are, constitute a security in favour of IDEAL the effects of which come as close as possible to what is stipulated herein and is effective on German territory.
3. Should Customer resell Retained Goods, it assigns to IDEAL, already as of today, all claims it will have against its respective customers from the resale, including any collateral rights and all



balance claims, as security, without any subsequent declarations to this effect being necessary. Upon IDEAL's request, Customer shall inform IDEAL of all names and addresses of its customers to which it has supplied the Retained Goods or which have control over them.

4. Until instruction to the contrary received from IDEAL, Customer may collect assigned claims resulting from the resale of Retained Goods. IDEAL is entitled to withdraw its permission for Customer to collect funds for good reason, including, but not limited to delayed payment, suspension of payments, start of insolvency proceedings, reasonable indications of overindebtedness or insolvency of Customer. In addition, IDEAL may, upon expiry of an adequate period of notice, demand that Customer informs its customer of the assignment, disclose the assignment to Customer's customers and collect the claims assigned.
5. Customer shall inform IDEAL forthwith of any seizure or other act of intervention by third parties. Customer shall, without undue delay, provide IDEAL with the information and/or Documents necessary to assert the claims it has or may have against its respective customers.
6. Where Customer fails to fulfil its duties, fails to make payment due, or otherwise violates its obligations vis-à-vis IDEAL, IDEAL shall be entitled to rescind the contract and take back the Retained Goods following expiry of a reasonable remedy period set by IDEAL; any statutory provisions providing that a remedy period is not needed, shall remain unaffected. Customer shall be obliged to return the Retained Goods or deliver them to any third party nominated by IDEAL. The fact that IDEAL takes back Retained Goods and/or exercises its retention of title rights, or has the Retained Goods seized, shall not be construed to constitute a rescission of the contract, unless IDEAL so expressly declares.

D. Timely Supply; Force Majeure, Hardship, Delay and Consequences of Delay

1. Unless otherwise explicitly agreed, all supplies of products shall occur FCA IDEAL's premises at Lippstadt, Germany (in accordance with the Incoterms 2020). The time of handover to the forwarding agent, carrier or other third party commissioned with the transport shall be decisive for compliance with the agreed delivery time. If delivery cannot take place for reasons for which IDEAL is not responsible, the notification of readiness for dispatch shall be sufficient.

If dispatch or delivery is delayed due to Customer's request by more than one month after IDEAL has notified Customer of the readiness for dispatch, IDEAL may charge Customer, for every additional month commenced, storage costs of 0.5 % of the price of the items of the Supplies, but in no case more than a total of 5 %. Either Party may prove that higher or, as the case may be, lower storage costs have been incurred.
2. Early and partial deliveries are permitted, unless they are unreasonable to accept for Customer. In such case, the Parties shall mutually agree upon the most practicable and efficient way to safely store products delivered early or as a part of the scheduled scope of delivery. Where partial deliveries have been agreed between IDEAL and Customer, Customer must provide adequate storage facilities and adequate insurance coverage.
3. Times set for Supplies shall only be binding if all documents to be furnished by Customer or other information which is necessary for the performance of the contract, necessary permits and approvals, are received in time and if agreed terms of payment and other obligations of Customer are complied

with. If all such conditions are not fulfilled timely, agreed performance times and deadlines set shall be extended reasonably; this shall not apply if and to the extent IDEAL is solely responsible for the delay.

4. If IDEAL is responsible for the delay (hereinafter referred to as "Delay") and Customer can prove to have suffered a loss therefrom, Customer may claim a compensation as liquidated damages of 0.5 % for every completed week of Delay, but in no case more than a total of 5 % of the price of that part of the Supplies which due to the Delay could not be put to the intended use.
5. If non-observance of times set for performance is due to Force Majeure, such times shall be extended accordingly.

"Force Majeure" means the occurrence of an event or circumstance that prevents or impedes a Party from performing one or more of its contractual obligations under the contract, if and to the extent that that Party proves: [a] that such impediment is beyond its reasonable control; and [b] that it could not reasonably have been foreseen at the time of the conclusion of the contract; and [c] that the effects of the impediment could not reasonably have been avoided or overcome by the affected Party.

In the absence of proof to the contrary, the following events affecting a Party shall be presumed to fulfil conditions (a) and (b) of this Clause: (i) war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilisation; (ii) civil war, riot, rebellion and revolution, military or usurped power, insurrection, act of terrorism, sabotage or piracy; (iii) currency and trade restriction, embargo, sanction; (iv) act of authority whether lawful or unlawful, compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalisation; (v) plague, epidemic, natural disaster or extreme natural event; (vi) explosion, fire, destruction of equipment, prolonged break-down of transport, telecommunication, information system or energy; (vii) general labour disturbance such as boycott, strike and lock-out, go-slow, occupation of factories and premises.

6. A Party successfully invoking Force Majeure is relieved from its duty to perform its obligations under the contract and from any liability in damages or from any other contractual remedy for breach of contract, from the time at which the impediment causes inability to perform, provided that the notice thereof is given without delay. If notice thereof is not given without delay, the relief is effective from the time at which notice thereof reaches the other Party. Where the effect of the impediment or event invoked is temporary, the above consequences shall apply only as long as the impediment invoked impedes performance by the affected party. Unless otherwise agreed, the Parties expressly agree that the contract may be terminated by either Party if the duration of the impediment exceeds 6 months.
7. Notwithstanding No. 6 of this Section D, where a Party proves that:
 - a) the continued performance of its contractual duties has become excessively onerous due to an event beyond its reasonable control which it could not reasonably have been expected to have taken into account at the time of the conclusion of the contract; and that
 - b) it could not reasonably have avoided or overcome the event or its consequences,



the Parties are bound, within a reasonable time of the invocation of this Clause, to negotiate alternative contractual terms which reasonably allow to overcome the consequences of the event.

8. Where the foregoing No. 7 of this Clause D applies, but where the Parties have been unable to agree upon alternative contractual terms as provided for in that paragraph, either Party is entitled to request the judge or the arbitrator or the arbitration tribunal, as the case may be, to adapt the contract with a view to restoring its equilibrium, or to terminate the contract, as appropriate.
9. Customer's claims for damages due to delayed Supplies as well as claims for damages in lieu of performance exceeding the limits specified in No. 4 of this Section D above are excluded in all cases of delayed Supplies, even upon expiry of a time set to IDEAL to effect the Supplies. This shall not apply in cases of liability based on intent, gross negligence, or loss of life, bodily injury or damage to health. Rescission of the contract by Customer based on statute is limited to cases where IDEAL is solely responsible for the delay. The above provisions do not imply a change in the burden of proof to the detriment of the Customer.
10. At IDEAL's request, Customer shall declare within a reasonable period of time whether it, due to the Delay, wishes to rescind the contract or prefers the delivery of the Supplies and the performance of IDEAL's further obligations, if any, under the respective contract.

E. Passing of Risk

1. All risks shall pass to the Customer in accordance with the Incoterm Clause agreed upon, even if partial deliveries are made or services beyond the delivery (e.g. assembly and commissioning) have been agreed. Failing individual stipulation between the Parties, all supplies of products shall occur FCA IDEAL's premises at Lippstadt, Germany, as defined in the Incoterms 2020.
2. Notwithstanding the passing of risk according to stipulations made between the Parties, the risk shall in any case pass to the Customer if dispatch, delivery, the start or performance of assembly or erection, the taking over at Customer's own premises, or a test run is delayed for reasons for which Customer or Customer's customer is responsible or if Customer has otherwise failed to accept the Supplies. In such case, the risk shall pass as of the date and time it would have passed had the delay not occurred.

F. Liability for Defects as to Quality

IDEAL shall be liable for defects as to quality of Supplies as follows:

1. Claims based upon defect are subject to Customer complying with its legal duty of examining the received goods and giving notice of lack of conformity to IDEAL. Notifications of defect by Customer shall be given in written form and without undue delay.

IDEAL shall not be liable for defects resulting from constructions or measures expressly requested by Customer or which result from or are attributable to in materials or products provided by Customer or the use of which was expressly requested by Customer contrary to any advice or recommendation of IDEAL.

2. Defective parts or defective services shall, at IDEAL's discretion, be repaired, replaced or provided again free of charge within a reasonable period of time, provided that the

reason for the defect had already existed at the time when the risk passed.

3. Claims for repair or replacement are subject to a limitation period of 12 months calculated from the start of the statutory limitation period; the same shall apply mutatis mutandis in the case of rescission and reduction. This shall not apply where longer periods are prescribed by compulsory provisions of applicable law, in the case of intent, fraudulent concealment of the Defect or in case of non-compliance with guaranteed characteristics.
4. Claims for the reimbursement of expenses on the part of Customer in accordance with Sec. 445a BGB (entrepreneur's right of recourse) shall likewise be subject to a statute of limitations of 12 months from the start of the statutory statute of limitations, provided the last contract in the supply chain is not a sale of consumer goods.
The legal provisions regarding suspension of the statute of limitations and recommencement of limitation periods shall be unaffected.
5. If repair or replacement is repeatedly unsuccessful, Customer is entitled to rescind the contract or reduce the remuneration; any claims for damages that Customer may have according to Nos. 8 or 9 of this Section F shall remain unaffected.
6. There shall be no claims based on defect in cases of insignificant deviations from the agreed quality, of only minor impairment of usability, of natural wear and tear, or damage arising after the passing of risk from faulty or negligent handling, excessive strain, unsuitable equipment, defective civil works, inappropriate foundation soil, or claims based on particular external influences not assumed under the contract, or from non-reproducible software errors. Claims based on defects attributable to improper modifications, installation/ removal or repair works carried out by Customer or third parties or attributable to spare parts or other items sourced from other suppliers without IDEAL's approval and the consequences thereof are likewise excluded.
7. Customer shall have no claim with respect to expenses incurred in the course of supplementary performance, including costs of travel, transport, labor, and material, to the extent that expenses are increased because the subject matter of the Supplies has subsequently been brought to a location other than the agreed location of delivery, erection and/or operation, unless doing so complies with the normal use of the Supplies. This applies accordingly to claims for the reimbursement of expenses on the part of Customer in accordance with Sec. 445a BGB (entrepreneur's right of recourse), provided the last contract in the supply chain is not a sale of consumer goods.
8. Customer's right of recourse against IDEAL in accordance with Sec. 445a BGB is limited to cases where Customer has not concluded an agreement with its customers exceeding the scope of the statutory provisions governing claims based on defects. Moreover, the exclusions and limitations set forth within this Section F shall apply mutatis mutandis to the scope of the right of recourse the Customer has against IDEAL.
9. The Customer shall have no claim for damages resulting from defects. This shall not apply to the extent that a defect has been fraudulently concealed, that guaranteed characteristics are not complied with, in the case of loss of life, bodily injury or damage to health, and/or intentionally or grossly negligent breach of contract on the part of IDEAL and in all cases where there is compulsory liability as prescribed by applicable law (e.g. product liability law). The above provisions do not imply a



change in the burden of proof to the detriment of Customer. Any other or additional claims of the Customer exceeding the claims provided for in this Section F, based on a defect, are excluded.

G. Software Use

1. Customer may only use the software to the extent permitted by law (§§ 69 a et seq. of the German Copyright Act – “UrhG”). In particular, it shall not be entitled to sell, reproduce, revise, translate or convert the object code into the source code. Customer shall undertake not to remove manufacturer information - in particular copyright notices - or to modify it without the prior express consent of IDEAL. All other rights to the software and the documentation, including copies, shall remain with IDEAL or software IDEAL. The granting of sublicenses shall not be permitted.
2. Customer must take all reasonable and adequate measures for the protection against malware, which may lead to the loss, falsification of data or programmes or the impairment of systems or parts. It shall be obliged to test the delivered software for malware before executing and opening the files. The foregoing shall also apply to software that Customer intends to use as part of its (operating and control) systems, provided that this can influence the functionality of the software supplied by IDEAL.
3. In addition, Customer shall be obliged to regularly and independently back up data in order to protect itself against data loss or manipulation. In the event of loss or manipulation, IDEAL shall only be liable for the expenditure required to restore the correct data in the event of proper data backup by Customer.

H. Industrial Property Rights and Copyrights; Defects in Title

1. IDEAL herewith reserves any industrial property rights and/or copyrights pertaining to its cost estimates, drawings and other documents (hereinafter referred to as “Documents”). The Documents shall not be copied, reproduced or made accessible to third parties without IDEAL’s prior written consent and shall, upon request, be returned without undue delay to IDEAL if the contract is not awarded to IDEAL. Sentences 1 and 2 shall apply mutatis mutandis to the Customer’s Documents; these may, however, be made accessible to those third parties to whom IDEAL has rightfully subcontracted Supplies or from which he himself sources products and/or services for the purpose of performing his own obligations vis-à-vis the Customer.
2. Unless otherwise agreed, IDEAL shall provide the Supplies free from third parties’ industrial property rights and copyrights (hereinafter referred to as “IPR”) with respect to the country of the place of delivery only. If a third party asserts a justified claim against Customer based on an infringement of an IPR by the Supplies made by IDEAL and used in conformity with the contract, IDEAL shall be liable to the Customer within a period of 12 months following delivery or, as the case may be, completion of erection/assembly, as follows:
 - a) IDEAL shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the Supplies concerned or whether to modify the Supplies such that they no longer infringe the IPR or replace them. If this would be impossible for IDEAL under reasonable conditions, the Customer may rescind the contract or reduce the remuneration pursuant to the applicable statutory provisions.
 - b) IDEAL’s liability to pay damages is governed by Section J hereof.

- c) The above obligations of IDEAL shall apply only if Customer (i) immediately notifies IDEAL of any such claim asserted by a third party in written form, (ii) does not concede the existence of an infringement and (iii) leaves any protective measures and settlement negotiations to IDEAL’s discretion. If Customer stops using the Supplies in order to reduce the damage or for other good reason, it shall be obliged to notify the third party that no acknowledgment of the alleged infringement may be inferred from the fact that the use has been discontinued.
3. Claims of Customer shall be excluded if it is responsible for the infringement of an IPR or if it could have foreseen that the Supplies may violate third parties’ IPR and has failed to notify IDEAL thereof.
4. Claims of Customer shall furthermore be excluded if the infringement of the IPR is caused by specifications made by Customer, by a type of use not reasonably foreseeable by IDEAL, by end products manufactured with the Supplies or by the Supplies being modified by Customer or being used in combination with products not provided by IDEAL.
5. In addition, with respect to claims that Customer may have pursuant to No. 2, 4 and 8 of this Section H above, Sect. F Nos. 2 and of Sect. J below shall apply mutatis mutandis in the event of an infringement of an IPR.
6. Where other defects in title occur, the provisions of Sections F and J hereof shall apply mutatis mutandis.
7. Any other claims of Customer against IDEAL, its legal representatives or its agents or any such claims exceeding the claims provided for in this Section H and in Section J, are excluded.

I. Export Control

If Customer intends to export or transfer the purchased product to a country or territory against which the United Nations, the European Union or the United States of America have imposed or are imposing an embargo or other export or re-export restrictions, Customer shall notify IDEAL of such intent in writing before the contract is concluded. Such export, transfer or use requires the prior written consent of IDEAL even after the contract has been concluded. Customer shall guarantee compliance with the relevant export regulations, including embargoes and sanctions. In the event of resale of the purchased product, Customer shall ensure that such obligation is passed on along the entire supply chain to the end Customer with whom the purchased product remains. In the event of a violation of such rules, IDEAL shall be entitled to terminate the contract with immediate effect and to demand compensation for non-performance.

J. Other Claims for Damages

1. Unless otherwise provided for in the present Terms, Customer shall have no claim for damages based on whatever legal reason. The foregoing shall include in particular claims for damage resulting from the violation of precontractual and other duties and claims based upon torts.
2. The foregoing exclusions of liability shall not apply if liability is based on:
 - a) the German Product Liability Act and/or other compulsory legal provisions;
 - b) intentional act or intentional failure to act by IDEAL, its legal representatives or executives;



- c) gross negligence on the part of IDEAL, its legal representatives or executives;
- d) malice;
- e) failure to comply with a contractual guarantee granted;
- f) negligent injury to life, limb or health or
- g) Negligent breach of a fundamental condition of contract

However, claims for damages arising from a breach of a fundamental condition of contract shall be limited to the foreseeable damage which is intrinsic to the contract, provided that no other of the above case applies.

- 3. The above provisions do not imply a change in the burden of proof to the detriment of the Customer.
- 4. To the extent IDEAL's liability is excluded or limited, such exclusion and/or limitation shall also apply to the personal liability of IDEAL's employees, workers, officers, legal representatives, agents and vicarious agents.
- 5. Customer's claims for damages shall, except where there is intentional act or intentional failure to act, or where there is compulsory liability, be limited to an amount which, with a view to the economical value of the contract and commonly existing insurance coverage, is reasonable and appropriate.

K. Venue and Applicable law

- 1. Exclusive venue for all disputes arising directly or indirectly out of the contract shall be IDEAL's place of business. However, IDEAL shall, in its sole discretion, be entitled to also bring an action before the courts having jurisdiction over the Customer's place of business or to submit the dispute to arbitration, in which case arbitration proceedings shall be conducted in accordance with and under the Rules of Arbitration of the International Chamber of Commerce (ICC) in Paris. The place of arbitration shall be Frankfurt/Main (Germany), and the language of the arbitration proceedings shall be German.
- 2. This contract and its interpretation shall be governed by German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

L. Severability

The legal invalidity or impracticability of one or more provisions of this Agreement shall in no way affect the validity of the remaining provisions and the contract as such. In such case, the invalid or impracticable clause shall be regarded to be replaced by a legally admissible and practicable clause the legal and economical effects of which come as close as possible to what the invalid or impracticable clause had been intended to achieve.