

1. **Contractual Content, Scope Of Validity, Supplier Code, Offer, Purchase Order**
 - 1.1. Contractual conditions formulated in advance for a wealth of contracts ("General Terms and Conditions" within the meaning of Art. 305 German Civil Code [BGB] which are used by the Customer do not become part of the contract even if they are not explicitly objected to by Milkron GmbH. If Milkron GmbH accepts services or deliveries without explicit objection, it cannot be derived that Milkron GmbH accepted the contractual terms and conditions of the Customer. These General Terms and Conditions of Purchase and Supply of Milkron GmbH shall apply exclusively. These terms and conditions shall also apply to all future business transactions between Milkron GmbH and the Customer.
 - 1.2. These conditions apply to all contractual performances rendered to Milkron GmbH (hereafter "object of delivery"), irrespective of the legal type of contract that such performance is based on.
 - 1.3. All agreements entered into between Milkron GmbH and the Customer for the purpose of performing this contract shall be made in writing. Alterations and amendments to these conditions require the prior written consent of Milkron GmbH.
 - 1.4. Milkron GmbH expects its Customers to conduct themselves in accordance with the ethical values of Milkron GmbH. The Customer is thus required to comply with the Supplier Code of Milkron GmbH. This can be downloaded from http://www.krones.com/downloads/Liko_2010_d.pdf (German). In particular, it covers requirements concerning safety, the environment, human rights, employee standards and anti-corruption. The Quality Management department at Milkron GmbH will verify compliance with the KRONE Supplier Code by carrying out audits at the Customers.
 - 1.5. The Customer is bound to offers for three months after the offer has been received within the meaning of Art. 145 German Civil Code [BGB]. If the Customer fails to accept a purchase order within two weeks after its receipt, Milkron GmbH can revoke it. Order releases are binding unless the supplier objects within five working days.
 2. **Documentation, Documents, Changes, Maintenance**
 - 2.1. With respect to deliverables, the Customer is required to separately provide Milkron GmbH with complete technical documentation at no charge, comprising - at a minimum - the documents specified in Appendix II 1.A. or 1.B. of the EU Machinery Directive (2006/42/EC). The Customer is required to provide Milkron GmbH at no charge with the manuals and documents required for the use, maintenance, cleaning and repair of the deliverables, in particular, replacement parts lists and sources. For the object of delivery, the Customer shall, at his expense, provide an original copy of the Operating Instructions and a copy of the Maintenance Instructions for technical personnel, as well as User Documentation for application software, Program Documentation for system and system-related software accordingly, and Program Development Documentation for software developments agreed upon as the object of this contract in both German and English and also in the language of the country of determination and use, if Milkron GmbH requires the Customer to do so. The documentation expected of the Customer shall be provided to Milkron GmbH in paper and standard digital form as per the currently applicable standards.
 - 2.2. The order parts and part numbers of Milkron GmbH shall be included in all communications, waybills, invoices, etc. No shipping notes nor invoices are to be enclosed with the delivery.
 - 2.3. No claim for remuneration against Milkron GmbH applies for offers, acquisition plans, drafts and other preparatory work performed by the Customer.
 - 2.4. The Customer shall provide Milkron GmbH a special declaration based on the EC Machinery Directive 2006/42/EG Appendix II 1.A. or 1.B. (as amended) for the deliverables. A CE mark must be affixed to products ready for use. The Customer shall guarantee Milkron GmbH that the deliverables comply with the applicable regulations concerning accident prevention and health and safety and pertinent occupational safety and technical regulations of the Federal Republic of Germany. When the destination and/or country of use is known to the Customer at the time of conclusion of the contract, the deliverables must also be in compliance with the rules and regulations in force of that particular country. In particular, the Customer shall guarantee that the deliverables meet the relevant EU Guidelines, EU Machinery Directive, the German law on the provision of products to the market (Product Safety Act [ProdSG]) and the 9th Product Safety Law Directive (Machinery Directive, No. 9 of ProdSV), as amended, and shall guarantee that the conformity assessment procedures mentioned in these regulations were carried out.
 - 2.5. Where any claims are asserted against Milkron GmbH by a third party due to non-compliance with the regulations referred to in Clause 2.4, the Customer is required to exempt Milkron GmbH from any such claims after issuance of an initial written request to do so. The exemption from liability of Milkron GmbH shall apply irrespective of any wrongdoing by the Customer. The aforementioned exemption from liability of Milkron GmbH against the Customer also covers the costs accruing to Milkron GmbH from legal proceedings or the pursuit of claims, plus all other expenses which become necessarily accruable to Milkron GmbH from or in connection with claims made by a third party.
 - 2.6. Milkron GmbH shall provide the Contactor solely temporary access to calculations, illustrations, plans, bidding documents, requirement profiles, specifications, drawings, and other storage devices, models and other aids. After the performance or expiry of this contract, the Customer shall return them without delay without making copies, or, shall, at the request of Milkron GmbH, destroy them and provide suitable written evidence to Milkron GmbH of this having been done.
 - 2.7. All of the models, equipment and other tools created by the Customer which are required to perform the contract are the property of Milkron GmbH. With respect to the above objects and all of the related intellectual property rights, Milkron GmbH is the sole owner and designated authority. These items must be returned to Milkron GmbH after the performance or expiry of copies, without making any copies of whatever kind.
 - 2.8. The items and rights which are the property of Milkron GmbH may not be used by the Customer or third parties or used otherwise and may not be made accessible to third parties either. They must not be reproduced in whole or in part by photocopying, microfilming, digital storage and other procedure.
 - 2.9. Milkron GmbH can, as far as this is reasonable for the Customer, demand follow-up changes (additions/reductions) to be made in the process of creating and carrying out of the deliverable. If these have an impact on significant contractual agreements (prices, deadlines), the Customer shall notify Milkron GmbH - unless agreed otherwise - within eight days in the form of a follow-up proposal or minutes. If this results in a change to the deadline, the new schedule shall be provided. Otherwise, it is understood that the requested changes from Milkron GmbH lie within the realm of existing agreements. If the changes result in the price exceeding the one agreed, the Customer shall inform Milkron GmbH of the expected or estimated additional expense in writing. Thereafter, Milkron GmbH will decide upon the execution of the changes. In the case of execution, an addendum to the contract will be created.
 - 2.10. Upon request of Milkron GmbH, the Customer shall assume responsibility for the maintenance of the deliverable based on an appropriate maintenance and repair contract.
3. **Time Of Performance And Delivery**
 - 3.1. The Customer is required to comply with the specified time of performance and delivery. The specified time of performance or delivery are given with respect to the time the deliverable is to be delivered at the location determined by Milkron GmbH. The date of acceptance is crucial in determining the timeliness of contractual performances with installation/assembly.
 - 3.2. In the case of a delay to delivery or performance, Milkron GmbH is entitled to demand lump sum damages amounting to 0.5% of the agreed remuneration per commenced week of delay, but not exceeding 5% of the agreed remuneration. Milkron GmbH reserves its right to additional legal claims (withdrawal and compensation for damages). The Customer reserves the right to provide Milkron GmbH with written evidence showing that the delay did not produce any damage or that the damage was insignificant. Milkron GmbH reserves the right to furnish evidence showing that more extensive damage took place.
 - 3.3. The regulations under clause 3.2 also apply in the case that the Customer provides the partial or full performances on time but that these are not ready for acceptance.
 - 3.4. Furthermore, Milkron GmbH can demand that the Customer exempt it from all claims for damages and/or contractual penalties or other claims, which its customer asserts against it in connection with a delay in contractual performance, if and in so far as the Customer is responsible for this delay in contractual performance.
 - 3.5. The Customer is required to notify Milkron GmbH immediately without being asked to do so of all foreseeable delays to contractual performance as soon as it becomes aware of them.
 4. **Packaging, Shipment and Disposal**
 - 4.1. The Customer is required to package and ship the delivery objects in a way that ensures the integrity of the delivery during loading, shipment and unloading. The Customer is liable for any damage to deliverables due to deficient packaging.
 - 4.2. The Customer shall assume liability for the costs of packaging and shipping. Where Milkron GmbH has to bear the costs for shipping and/or delivery, the Customer is required to choose the cheapest transport- and/or packaging type, which also ensures the integrity of the delivery.
 - 4.3. The Customer must take back all transport containers, tools, aids, and packaging of all kinds, in particular, transport packaging. The Customer bears all costs for packaging, loading, shipping to his seat of business seat, including unloading. Milkron GmbH shall enter into an appropriate contract of carriage in its own name at the Customer's expense. If the Customer does not recycle the returned (transport) packaging, it shall bear the costs accruing to Milkron GmbH for the disposal of the same. Foreign Customers shall bear additional customs duties, customs clearance costs, taxes and expenses accruing from the return of the transport containers, tools, welding gas canisters, other aids, and transport packaging.
 - 4.4. The Customer shall provide Milkron GmbH the delivery order and/or the remaining transport document (e.g. a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road freight consignment note, or a multimodal transport document) which Milkron GmbH requires to accept the delivery item, as per clause 7.3 and at his own expense. If the Customer and Milkron GmbH have agreed on digital data communication, the document mentioned in the previous section can be replaced by an appropriate digital message.
 5. **Reliability Of The Delivery Chain, Foreign Trade, Country Of Origin, Preferential Law**
 - 5.1. To ensure reliability of the delivery chain subject to the requirements of international safety initiatives based on the WCO SAFE Framework of Standards such as AEO, C-TPAT and the air-safety initiatives of BMVBS, BMI, LBA, EU

- and ICAO, the Customer shall give the necessary organizational instructions and measures for contractual performances to Milkron GmbH or third parties designated by Milkron GmbH, in particular in the areas of building protection, business partner-, personnel- and information security, packaging and transport. The Customer shall protect contractual performances from unauthorized access and manipulation. The Customer shall only deploy reliable personnel and shall also ensure that its sub-contractors comply with the named safety standards in the delivery chain.
- In the event of a culpable breach against these obligations, Milkron GmbH reserves the right to withdraw from the contract or to terminate it.
- 5.2. If the Customer itself is involved in the export, the Customer will be required to notify Milkron GmbH of the statistical goods number as per the latest version of the export trade statistics directory in writing. In all cases, technical information concerning the form, function and nature of the deliverables must be disclosed in writing to determine the statistical goods numbers. If the deliverables are covered by the EU-Dual-Use List of Goods (Appendix I to EU Directive 428/2009) or the German Export List (Appendix AL to the German Foreign Trade Ordinance [AWV]), as amended in each case, and the Customer is aware of this, he shall notify Milkron GmbH in writing of the applicable item in the respective list of goods. Milkron GmbH will use this data to process its own exports in accordance with the law. If, in spite of its own involvement in the export, the Customer cannot deliver the aforementioned data or is not prepared to make such data available, he/she must inform Milkron GmbH about this immediately in writing.
- 5.3. On request of Milkron GmbH, the Customer is obliged to issue a supplier declaration concerning the preferred origin of all deliverables. For deliverables without a preferred origin, the country of origin - within Germany this is the respective federal state- must be disclosed. Upon request, this declaration must reach Milkron GmbH within ten days, however, at the latest by the date of delivery. The Supplier declaration concerning the preferred origin of the deliverables must meet the regulations of the EU Directive (EC) No.1207/2001 including any amendments in effect at the given time.
- 6. Prices And Payment**
- 6.1. All prices agreed upon are binding unless the parties have expressly agreed on exceptions or changes thereof. In which case then the burden of proof shall be provided by the Customer.
- 6.2. Payment terms begin with the receipt of all of the contractually owed deliverables at the place of determination specified by Milkron GmbH or pending acceptance [of the deliverables] when these have been contractually agreed on or are prescribed by law. However, if the Customer's invoice does not arrive at the place of determination specified by Milkron GmbH on receipt of all contractually owed deliverables or after their having been accepted by Milkron GmbH (Purchasing Department), the payment term shall not begin until the date of invoice receipt.
- 6.3. Milkron GmbH shall effect payment within thirty days following start of the payment period. If payment is made within 14 days of the beginning of the payment period, Milkron GmbH shall be entitled to a 3 % discount. Payment in the aforementioned sense is made by sending or electronically entering a bank transfer order or by sending a crossed check.
- 6.4. When Milkron GmbH settles a Customer's invoice without asserting any objections, this shall not be deemed as acknowledgement of the debt for the amount paid, or as being confirmation that the deliveries or performances were made in line with conditions agreed upon in the contract.
- 7. Place of Performance, Handover, Transfer of Risk, Force Majeure**
- 7.1. Place of performance is the place of destination as specified by Milkron GmbH.
- 7.2. If the Customer's performance consists of the creation or modification of software, the transfer shall be made on a suitable data storage medium in a machine-readable form, together with the source code.
- 7.3. If the law does not provide for an acceptance inspection and this is not stipulated in the contract, the risk of accidental loss and accidental deterioration is transferred from the Customer to Milkron GmbH upon the transfer of the object of delivery at the place of determination, otherwise upon the acceptance inspection provided for by law or stipulated in the contract as per clause 9.
- 7.4. Industrial disputes and other instances of Force Majeure shall entitle Milkron GmbH to demand that the Customer makes a reasonable revision of the contract or exempts Milkron GmbH from its obligation to accept.
- 8. Duties Of Inspection And Complaint**
- 8.1. If the deliverables are defective and if no inspection is carried out at time of acceptance, Milkron GmbH shall be entitled within the scope of Article 377 German Commercial Code [HGB] to report evident defects within a period of fourteen days after the unpacking of the deliverables has been concluded at the place the deliverables are to be used for their intended purpose, and to complain about [at this point] invisible defects within fourteen days after their discovery. The time of sending the notification of defects to the Customer is decisive for ensuring compliance with the deadlines.
- 8.2. In the case of batch shipments, Milkron GmbH is only required to take random samples. If it turns out that more than 10% of items sampled fail to meet contractual or legal requirements, Milkron GmbH is released from the obligation to perform additional confirmatory checks and can, based on the result of the sample, refuse the acceptance in total and place the entire delivery at the disposal of the Customer for collection.
- 8.3. If a contract requires Milkron GmbH to perform the release of partial deliveries in succession, and if a partial delivery exhibits material and/or legal defects preventing its use, this shall then entitle Milkron GmbH, without prejudicing other rights, to initially refrain from any further release of deliveries and from effecting payments.
- 8.4. Provided that the Customer is certified according to DIN EN ISO 9001, Rev. 2000 ff, the duties of inspection and complaint as per Article 377 German Commercial Code [HGB] shall not apply.
- 8.5. If there is a quality assurance agreement between Customer and Milkron GmbH with respect to the right of inspection and complaint of defects by Milkron GmbH, the terms and conditions of such an agreement shall have priority over the conditions set out here under clause 8.
- 9. Acceptance**
- 9.1. When acceptance of the object of delivery is contractually agreed and/or provided for by law, Milkron GmbH will perform the acceptance inspection within four weeks of receiving both Customer's declaration of readiness for the acceptance and all documents belonging to the object of the delivery.
- 9.2. When the Customer's object of delivery consists of the creation or modification of software, the created/modified programs shall be handed over in a testable state. After the program tests have been carried out with Milkron GmbH, a preliminary confirmation of readiness shall be carried out initially. In this case, it is merely stated that the trial operation can be started under production-like conditions for the purpose of final acceptance. The duration of the function tests and trial operation is based on the contractual conditions. If significant defects arise during the trial operation, a new trial operation will be started after rectification of such defects.
- 9.3. Acceptance takes place provided all services and criteria defined in the service description are fulfilled and the object of delivery is free of defects.
- 9.4. A written acceptance report will be prepared to document the acceptance. However, formal acceptance will not be carried out before the Customer has rectified discovered defects. Defects must be rectified without delay and within a time period set by Milkron GmbH.
- 10. Claims For Defects, Customer's Liability**
- 10.1. The Customer is obliged to provide Milkron GmbH with the object of delivery free from any material and legal deficiencies beginning with the transfer of risk through the end of the limitation period.
- 10.2. When the object of delivery has a defect despite the above obligation, the rights of Milkron GmbH shall be governed by these terms and conditions and, additionally, the statutory claims for defects.
- 10.3. Milkron GmbH can take measures itself at the Customer's expense to remedy defects if either the Customer fails to comply with the written request to remedy the defect within a reasonable period set by Milkron GmbH, or if bankruptcy proceedings are being instituted against the Customer. This shall also apply without prior request in the case of urgency or if operational reliability is at risk and to prevent disproportionately large damage if the urgency in question precludes the possibility of informing the Customer of the defect and pending damage, and of setting a deadline for the remedy of the same.
- 10.4. Milkron GmbH is entitled to carry out or initiate the remedy of minor defects immediately at the Customer's expense. Measures to remedy defects can be carried out or initiated at the Customer's expense without the setting of a deadline whenever delivery happens following the original deadline and Milkron GmbH has a vested interest in immediate remedy to avoid a delay arising at its own end.
- 10.5. In all and any cases set forth in subclauses 10.3 and 10.4, the Customer must be informed immediately. Milkron GmbH shall provide the Customer with a report concerning the nature and scope of the defects and the kind of work that has been carried out.
- 10.6. The Customer is responsible for all costs of the follow-up performance, in particular, costs of troubleshooting, retrofitting costs, installation and removal costs, transport, travel, work and material costs as well as duties, including the costs arising as a result of the subsequent delivery of the object of delivery to a place other than the place of delivery (situs).
- 10.7. The Customer shall guarantee that the object of delivery is free of rights of third parties, in particular third party property rights which prevent or impair the use of the same by Milkron GmbH, and/or that the Customer has the authority to reassign such rights of use and that there is no infringement of patent applications published within the European Economic Area, USA and Japan. If a third party makes a claim against Milkron GmbH for this reason, the Customer is required to exempt Milkron GmbH from such claims upon its first written request to do so. The Customer's obligation to indemnify applies to all expenses necessarily accruing to Milkron GmbH from or in connection with the use of the deliverables by a third party. This does not apply when the (property) infringement(s) are based on plans, drawings, models or similar descriptions of equal value having been provided by Milkron GmbH.
- 10.8. In the event that the Customer fails to ensure solely contractual use of the performances appropriately, Milkron GmbH may demand a claim for damages and withdraw from the contract.
- 10.9. Milkron GmbH is entitled to demand that the Customer indemnifies Milkron GmbH from all liability claims from its customers if and to the extent that the Customer's performance was the cause of the liability claims. This only applies for the exemption of claims for compensation directed against Milkron GmbH outside the scope of coverage of the Product Liability Act if and to the extent that the Customer is responsible for the cause of the claim.
- 10.10. The Customer is required to perform his/her inspection and monitoring obligations seriously, in particular, it is required to assure compliance with the technical quality standards and contractually agreed integrity by means of careful quality controls and appropriate documentation. The Customer undertakes to arrange its field of control and organization from a material and per-

sonnel viewpoint in such a way that any risks associated with the Customer's performance and the use of this performance by Milkron GmbH and its customers are eliminated.

- 10.11. In the event that the prerequisites for claims of Milkron GmbH against the Customer lie only within the area of risks and responsibilities of the Customer, the Customer shall bear the burden of proof for the non-applicability of such qualifying conditions for a claim.
- 10.12. Public statements made by the Customer, which, for example, include any statements printed in written materials or appearing on the Internet, serve to extend the target quality of the suitability for normal use of products or services with those which would not typically fulfil such a quality when these public statements are formed in such a way that they give rise to an appropriate expectation placed on Milkron GmbH.
- 11. Producer's Liability And Insurance Obligation Of The Customer**
- 11.1. The Customer fully exempts Milkron GmbH from its producer's liability if and to the extent that the cause of the liability of Milkron GmbH can be attributed to the Customer's area of risk and responsibility, and the Customer is responsible for the cause of liability. This shall also apply to claims asserted against Milkron GmbH in respect of producer's liability under the laws of a foreign country.
- 11.2. Under this agreement, the Customer shall reimburse any expenses incurred in accordance with §§ 683, 670 German Civil Code [BGB] arising from or in association with a recall campaign carried out by Milkron GmbH. Milkron GmbH will inform the Customer - where possible and reasonable - of the content and scope of the recall measures to be carried out and give the Customer the opportunity to give their opinion.
- 11.3. The Customer declares being legally responsible for damage claims for third parties which are based on material defects in the event the defects of his delivery, work or services are already present when the risk is passed.
- 11.4. The Customer is required to take out a third party- and product liability insurance policy with a minimum insured sum of 2 million Euros as a single sum for personal and material damage. In deviation from § 4 Section 1 No. 3 AHB, the policy's coverage must also cover damage abroad. The Customer shall notify Milkron GmbH about any exemptions from coverage in the USA/Canada.
The coverage of this insurance must extend to the coverage types of the so-called extended product liability insurance according to the applicable GDV model under exclusion of an insurance policy covering personnel and material damage due to lack of an agreement on the properties of the object of delivery as per clause 4.1 Product Liability Act; bonding, mixing, and processing of delivery products as per clause 4.2 [of the German] Product Liability Act; further processing as per clause 4.3 Product Liability Act; disassembly and assembly cost as per clause 4.4 Product Liability Act; off-quality production by machines as per clause 4.5 Product Liability Act, and an inspection and sorting cost clause as per 4.6 Product Liability Act. The sum insured against damage according to clauses 4.1 to 4.6 Product Liability Act must also be at least 2 million Euros. If the Customer also assembles or installs the deliverables, the Customer will be required to take out co-insurance for contributory damage with a minimum insured sum of 1 million Euros.
- 11.5. The Customer must provide evidence to Milkron GmbH that a liability insurance policy has been taken out in accordance with clause 11.4 above. Upon request, the Customer shall provide Milkron GmbH with appropriate confirmation by the insurer (Certificate of Insurance). This certificate must include information on the following, in particular: (a) Information about the insured party including full address; (b) title of the liability insurance policy with the full policy number; (c) name and full address of the insurer; (d) information about the type of damage and costs incurred (personal and material damage and co-insurance for property damage), in particular in the area of manufacturer's and environmental liability and coverage for contributory damage. The scope of the product liability insurance policy must extend to the coverage forms of the so-called extended product liability insurance model (Product Liability Insurance Model) under exclusion of the insurance coverage of personal and material damage owing to the absence of the agreed attributes of the deliverable as per clause 4.1 Product Liability Model; bonding, mixing, and processing of delivery products as per clause 4.2 Product Liability Act; further processing as per clause 4.3 Product Liability Act; disassembly and assembly cost as per clause 4.4 Product Liability Act; off-quality production by machines as per clause 4.5 Product Liability Act, and an inspection and sorting cost clause as per 4.6 Product Liability Act.; (e) indication of the insured sums; (f) indication of existing sublimits; (g) information about existing deductibles; (h) indication of exclusions; (i) start and end date of the policy and whether it is extended automatically; (j) geographical coverage; (k) conclusion of a general product recall cost insurance policy to cover the costs for a so-called third party recall; (l) confirmation by the insurer that the premium payments have been made.
- 12. Usage Rights**
- 12.1. All usage rights under copyright law, commercial trademarks and trademark-like legal items applicable to the contractual object of delivery and all other deliverables produced within the scope of this contract shall transfer to Milkron GmbH without further conditions and at no additional charge.
- 12.2. Aforementioned rights shall belong to Milkron GmbH exclusively and without restriction of territory, time or content. Milkron GmbH is entitled to extend, transfer, revise, adapt, change, reproduce or publish these rights without requiring the Customer's permission.

- 12.3. Usage of the object of delivery by Milkron GmbH shall be free of charge. Milkron GmbH is granted the right to register patentable development results.
- 12.4. The Customer is not restricted in its use of the know-how acquired during the course of the performance of the contract for his/her own purposes if this does not infringe upon the intellectual property rights under clause 12.1. In the case of performances for third parties, the Customer, however, is not permitted to use the deliverables produced exclusively for Milkron GmbH in the fulfilment of this contract.

13. Periods Of Limitation

- 13.1. Periods of limitation based on legal requirements shall apply with the following exceptions.
- 13.2. To the extent that the statutory limitation period for material defects would cover two years, it is extended to 36 months following the transfer of risk.
- 13.3. The period of limitation for legal defects (clause 10.7) is 48 months following the transfer of risk unless a longer period is prescribed by law.
- 13.4. For deliverables and parts thereof exchanged as part of a follow-on performance and for deliverables and parts thereof in which defects were remedied, the period of limitation shall be reset to the end of the follow-up performance.
- 13.5. For deliverables which cannot remain in operation due to an examination for defects and follow-up performance, the period of limitation shall be extended by the amount of time operation was interrupted to remedy the defect.

14. Assignment, Offsetting, Withholding

- 14.1. The Customer is not entitled to assign any claims whatsoever against Milkron GmbH.
- 14.2. The Customer is not entitled to refrain from carrying out a defect remedy measure made necessary before full payment of the purchase price/remuneration has been effected.
- 14.3. The Milkron GmbH is entitled to set-off and retention rights in line with statutory demands. Milkron GmbH is further entitled to offset claims due to any company in which Milkron GmbH holds a minimum stake of 50%.

15. Duty to Inform, Secrecy, Data Protection

- 15.1. In case of a longer-term delivery relationship, the Customer is obliged to provide pertinent information concerning all circumstances that may bear significance to Milkron GmbH; among these are, in particular, information regarding quality problems should it not be possible to resolve them entirely, foreseeable delivery problems, and all changes in product features that could affect the use of the same by Milkron GmbH even if they do not result in the deliverable being defective.
- 15.2. If the Customer intends to discontinue his/her production completely or partially ("Cancellation"), he is obliged to notify Milkron GmbH at least six months in advance, specifying the material number of Milkron GmbH as well as the presentation of alternatives (including corresponding data sheets). The Customer grants Milkron GmbH the opportunity to make a last order with a deadline of eight weeks from the written notification of the termination giving Milkron GmbH the option to make - at its own discretion and for the last time - an order with a minimum amount equal to up to 25% of the total amount ordered of the previous ten years with a delivery time equal to the average time up to the termination under the commercial terms and conditions agreed to up to that point.
- 15.3. Both contracting parties are required to treat all and any business and technical information not considered as being general knowledge and which become known to them by means of their mutual business relationship as being confidential. In particular, the Customer is required to keep calculations, illustrations, plans, bidding documents, requirement profiles, specifications, drawings, and other storage devices, models and other aids strictly confidential. They may only be disclosed to third parties with the expressed written consent of Milkron GmbH and/or used for the Customer's own purposes not being included in the provisions of this contract. The obligation of secrecy applies also after the termination of this contract; it expires when and as far as the knowledge and information in the calculations, illustrations, plans, documents, etc. become general knowledge. With respect to the above objects and all of the related intellectual property rights in this context, Milkron GmbH remains the sole owner and designated authority. The Customer is only allowed to disclose the contractual relationship of Milkron GmbH to third parties with its written consent.
- 15.4. The Customers shall guarantee that all the persons involved in the performance of the contract are aware of and adhere to the relevant provisions on data protection. The obligation to comply with data secrecy required pursuant to the data protection law shall be undertaken no later than the start of the performance and evidence of it shall be provided to Milkron GmbH upon request. The Customer agrees that the personal data disclosed to Milkron GmbH within the scope of the business relationship will be stored and processed automatically in the computer systems of Milkron GmbH.

16. Special Provisions for Merchants

- The following shall additionally apply if the Customer is also a merchant:
- 16.1. The Customer is required to disclose the name and address of the manufacturer to Milkron GmbH upon conclusion of the contract.
- 16.2. On conclusion of the contract between the Customer and Milkron GmbH, the Customer assigns his defect compensation claims (for instance regarding a reduction in purchase price, as well as claims for compensation arising from a necessary exchange or recall campaigns, for example) to Milkron GmbH, which is prepared to accept this transfer in advance.

17. Place of Jurisdiction, Applicable Law

17.1. For all disputes arising from and in connection with the contractual relationship, when the Customer is a domestic (German) merchant, a German legal entity under public law, or a domestic separate fund under public law, Hanover, Germany is the exclusive place of jurisdiction. The exclusive place of jurisdiction for legal action against Milkron GmbH from Customers who do not have a general court of jurisdiction in the Federal Republic of Germany, Hanover, Federal Republic of Germany is also the exclusive place of jurisdiction. The exclusive place of jurisdiction for legal action by Milkron GmbH against Customers who do not have a general place of jurisdiction in the Federal Republic of Germany, additionally to statutory places of jurisdiction, the place of jurisdiction is also Hanover, Germany. Any agreements to arbitrate between the parties shall have priority.

17.2. Concerning the inclusion of these Terms and Conditions of Milkron GmbH, and for all legal relations resulting from this contract and any ancillary transactions and/or subsequent transactions for the parties and their legal successors, the law of the Federal Republic of Germany shall apply exclusively. This choice of law clause and the above agreement on place of jurisdiction are also subject to the law of the Federal Republic of Germany.