

**General Terms of Purchase of**  
**SHB Hebezeugbau GmbH, Straße der Freiheit 1, 07318 Saalfeld**  
Date: May 2018

### 1. Scope/general

The following terms apply to our purchase orders, including supplementary orders, if any. These terms of purchase are part of the contract unless other written agreement is made. Terms of sale and delivery attached to proposals, order confirmations or other declarations and statements by the supplier are without legal effect even if we do not contradict them. The same applies to any declarations by the supplier to the effect that external terms would only be accepted with the supplier's approval. Our terms of purchase are accepted with the acceptance and performance of the purchase order. Our terms of purchase also apply to all future orders delivered by the supplier. The terms of purchase also apply to all contracts for work and labor and works delivery contracts to the extent to which they are applicable to such contracts. Otherwise the terms will apply analogously.

### 2. Proposal/order/conclusion of contract

Proposals are binding and free for us. Necessary deviations from the inquiry shall be marked clearly in the proposal. Orders and agreements are only binding on us if they are issued in writing or, when made by phone, confirmed in writing. Our order shall be confirmed within 5 days. Order confirmations shall be sent to us in two copies. Our purchase order number shall be noted on all invoices, consignment notes, any proof of delivery, documentation and written correspondence.

### 3. Object of delivery

All deliveries must correspond to our purchase order in terms of type, quantity and execution. We are not obliged to accept partial deliveries or overdeliveries which are not agreed. Technical documentations and software required for start-up or maintenance are part of the purchase order even if not specified separately. Drawings, specifications, etc. forming part of the purchase order are binding on the supplier. Inconsistencies, if any, contained therein shall be brought to our notice in writing. The supplier alone is responsible for his drawings and specifications even if they are approved by us. We can make quality inspections of the goods to be delivered to us during their manufacture in the supplier's works. We share no responsibility for defects of design or manufacturing. All deliveries shall be made according to applicable norms and regulations such as DIN, VDE, VDI or equivalent norms or standards. All goods delivered shall comply with the applicable statutory requirements at the time of delivery to the place of performance.

### 4. Compliance with statutory and collectively agreed terms, exemption

The supplier performs all work for the manufacture of the goods professionally, complies with all applicable statutory provisions - laws, regulations, bargaining agreements and works agreements, other contracts – and under his own responsibility as entrepreneur. The supplier is responsible that the workers he employs work fully within the scope of the valid labor laws. The working times of all workers employed on the purchase order shall be documented to SHB Hebezeugbau GmbH on the latter's request. The supplier assures that all workers employed by him are paid at least according to the provisions of articles 1, 2 and 20 of the Minimum Wage Act and other laws and collective agreements for the compliance of which we are responsible under article 14 of the Law on the Posting of Workers and/or other similar provisions. On our request, the supplier shall, once every year, demonstrate by submitting the confirmation of an auditor, that his workers have been paid the minimum wage according to the provisions of articles 1, 2 and 20 of the Minimum Wage Act and other laws and collective agreements for the compliance of which we are responsible under article 14 of the Law on the Posting of Workers and/or similar provisions. In addition, the supplier shall, during the term of the contractual relationship with us and on our request, demonstrate to us, by monthly submitting anonymized wage papers of the workers employed by him that the minimum wage according to articles 1, 2 and 20 of the Minimum wage Act and other laws and collective agreements for the compliance of which we are responsible under article 14 of the Law on the Posting of Workers and/or other similar provisions has really been paid. The supplier shall release SHB Hebezeugbau GmbH from all claims that may be raised against SHB Hebezeugbau GmbH in the event of an infringement by the supplier of the Minimum Wage Act or other laws or collective agreements for the compliance of which we are responsible under article 14 of the Law on the Posting of Workers and/or other similar provisions. The supplier shall instruct the workers employed by him in all safety aspects in connection with the work they are expected to do and provide written proof of such instructions to SHB Hebezeugbau GmbH without delay.

### 5. Prices

All agreed prices are fixed prices and include packaging, transportation, insurance cost, customs charges and other fees. Payment of these prices is in lieu of the complete scope of supply. Unless agreed otherwise in the purchase order, the prices apply for delivery DAP according to INCOTERMS 2010 (uncleared, delivered to the named destination) for deliveries from within the EU area and DDP according to INCOTERMS 2010 (cleared, delivered to the named destination) for deliveries from outside the EU area. The destination is our factory or a delivery address specified by us.

### 6. Subsequent changes, withdrawal

To the extent to which the supplier can be expected to tolerate it, we may demand changes of the design and execution of the purchased goods. In the event of such changes, impacts if any on the agreed dates of delivery as well as any additional or reduced cost shall be agreed reasonably and amicably. Price increases and longer delivery periods will only be acceptable if it can be demonstrated that the change actually causes extra cost or a longer delivery period and the supplier has informed us accordingly in writing without delay upon our change request. In addition to the statutory rights of termination and withdrawal, we can withdraw from the contract or from any part of it when this is required for the following reasons: industrial unrest, Force majeure, natural catastrophe, opening of insolvency proceedings into the supplier's assets or those of our customer for whom the goods have been ordered or if other major causes exist which were not foreseeable for us and for which we are not responsible which make the intended use of the goods impossible (e.g., cancellation of the customer's contract). If we use this right of withdrawal the supplier can claim only the price, possibly prorated, agreed with him for the goods already manufactured or procured provided he surrenders them to us. We will pay a reasonable price for semi-finished goods considering the value of these goods. We are only obliged to pay pari passu with the surrender of the affected goods.

### 7. Delivery

Agreed deadlines are binding (except when affected by Force majeure), include time in transit and are understood as arriving at the place of destination (our works or another ship-to address specified by us). The day of delivery is the day on which the goods, including the agreed documentation, inspection certificates and attestations as well as the shipping documents arrive; partial deliveries and early deliveries are excluded except with our prior consent; they do not oblige us to make partial or early payment. Goods delivered by foreign suppliers are made customs duty paid. Every shipment shall be accompanied by 2 copies of the delivery note; a packing slip shall be inserted in every package. Noted on the delivery note and the packaging slip shall be at least the exact name of the goods, quantity, our purchase order number, supplier number, article number and item number of our PO. Written proof of completed work/services (installation reports, service reports, completion notes, etc.) shall be submitted to us. These shall contain the same information as above. For deliveries to us or any third party named by us, we shall automatically be sent dispatch notices as well as shipment note/proof of shipment. Any cost incurred due to incorrect, incomplete or delayed shipment documents or proof papers shall be to the supplier's account. All goods shall be shipped, properly packaged, free destination (our works or the ship-to address specified by us).

### 8. Delayed delivery

Dates agreed for delivery shall be observed. If the supplier fails to meet an agreed delivery date for reasons for which the supplier is responsible, we can claim liquidated damages of 0.2 % of the net order amount for every calendar day of delay subject, however, to a maximum of 5 per cent of the net total order amount; the damage amount so payable can be deducted from the purchase price/compensation for work performed. Further statutory claims to which we are entitled are retained; when claimed, any amount of liquidated damage unpaid at the time shall be set off against the amount so due. We are not obliged to reserve the right to claim damage at the time at which the goods are accepted. We can claim damage until the time of the final payment. In cases of delay after the futile lapse of a grace period granted we can withdraw from the contract and claim damage in lieu of performance. Acceptance of delayed deliveries does not imply a waiver of claims for damage. When the supplier becomes aware that he cannot meet agreed dates or periods of delivery, he shall inform us of it in writing without delay.

### 9. Defect claims

All delivered goods shall have the assured properties, comply with the rules of technology and the terms of the contract. If goods fail to meet these requirements, we can demand from the supplier, on our discretion, repair of the defects (by rework) or delivery of replacement goods. All expenses in connection with the supplementary performance (repair of defects or replacement delivery), particularly removal, installation, freight, packaging, examination, acceptance, inspection, assessment, insurance, etc., shall be to the account of the supplier. If the goods delivered by the supplier are integrated in a product (crane or similar system) made by the buyer, this also includes expenses incurred for moving the goods to the site of installation in the works. If the supplier fails to make good the defects within the time fixed for it or if repair is not possible, we can demand, on our discretion, redhibitory action, reduction of the purchase price and damages. If the safe operation is jeopardized or disproportionately high damage must be avoided or in the event of minor defects we can carry out, or have carried out, repair or replacement at the supplier's expense without the supplier's prior consent. The supplier will be informed of it beforehand. The limitation period for defect claims is 36 months unless expressly agreed otherwise or a longer limitation period is prescribed by law. The limitation period commences with the handing over of the goods to us or a third party named by us or in the case of a contract for work and labor with the completed acceptance. Claims for inadequate construction work or for defects of items which have been used in keeping with their customary use in a building structure and have caused the building structure to be defective are limited to 5 years after the date of acceptance of the construction work or delivery of the item. If the supplier meets his obligation of supplementary performance by replacement delivery, the limitation period of the product delivered as replacement commences anew after the delivery of that product unless the buyer, at the time of supplementary performance, has expressly reserved that the replacement delivery is made for reasons of goodwill for the avoidance of disputes or in the interest of the continuation of the delivery relations. The supplier is also responsible for consequential damage. If the goods delivered by the supplier are integrated in a product (crane or similar system), the limitation of claims for defect depends on the limitation period for defect claims agreed between the buyer and the buyer's customer. The supplier will be informed of it not later than with the purchase order. The limitation period commences with the delivery and ends with the limitation of the customer's claims for defect on the buyer.

### 10. Accounting/payment

Payment shall be based on the quantities, weights or other reference units determined by us with reference to the purchase order. Deliveries which the supplier makes without a purchase order from us or makes against the agreement in the purchase order without our prior consent will not be paid. The supplier can make out the invoice after complete, defect-free delivery, including documentation, and acceptance of defect-free delivery. Invoices without purchase order number and invoices not made out according to the applicable legal requirements shall be deemed not to have been submitted. We pay the invoice amount net within thirty (30) days after receipt of the invoice. Discounts can be agreed separately. We can withhold payment of the full or any part of the invoice amount until defects, if any, are repaired. Statutory value-added tax shall be specified as a separate item on the invoice. The supplier can set off or withhold payment only in case of counterclaims recognized by declaratory judgment or undisputed counterclaims.

### 11. Place of performance/passing of risk

The place of performance for all deliveries is the destination (our works or the ship-to address specified by us). The place of performance of defect claims is the contractually agreed place of installation of the end product in which the supplies are integrated. The risk only passes at the place of performance. If in addition to the delivery the supplier also owes the installation of the goods, the risk only passes at the time of acceptance of the overall performance.

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**12. Subcontractors**

Subcontractors shall not be employed by the supplier unless with our prior written approval. The supplier is responsible for his subcontractors. In particular, the supplier is responsible to SHB Hebezeugbau GmbH for any damage caused by the supplier's subcontractors, suppliers or manufacturers of the parts used by the supplier in the same way as for supplier's own fault. The supplier undertakes to ensure that all subcontractors bind themselves by contract to comply with the requirements of payment of minimum wage, particularly according to articles 1, 2 and 20 of the Minimum Wage Act in the jurisdiction of collective agreements, including the provisions and standards set therein (including – where applicable – article 2 of the steel industry collective agreement on the use of contracts for work and labor of July 8, 2014) and that when he enters in contracts with further subcontractors these subcontractors bind themselves by contract to comply with the requirements of payment of minimum wage, particularly according to articles 1, 2 and 20 of the Minimum wage Act in the jurisdiction of collective agreements, including the provisions and standards set therein (including – where applicable – article 2 of the steel industry collective agreement on the use of contracts for work and labor of July 8, 2014).

The supplier shall release SHB Hebezeugbau GmbH from all claims that may be raised against SHB Hebezeugbau GmbH in the event of an infringement by the supplier's subcontractors of the Minimum Wage Act or other laws or collective agreements for the compliance of which we are responsible under article 14 of the Law on the Posting of Workers and/or other similar provisions. This also applies when the buyer liability is based on other subcontracts or the inclusion of parties posting workers.

**13. Buyer's means of production /material**

Means of production such as drawings, samples, models, tools, etc. provided by us or made according to information from us shall not be sold or passed on to any third party or used by the supplier for the supplier's own purposes without our written approval. These means of production shall be returned to us after the completion of the purchase

order. All materials and means of production provided by us to the supplier remain our property; the supplier is not entitled to make them part of any legally binding transaction. We shall be informed without delay of any impairment, including attachment, of material supplied by us. Material and means of production supplied by us shall be insured by the supplier against theft, fire, etc, free for us as soon as they come in the supplier's possession.

**14. Third-party rights**

The supplier expressly states that he is not aware of the existence of any third-party rights in the delivered goods at home or abroad. If despite that such rights should exist and the supplier could readily have been aware of them, the supplier is responsible for all damage suffered by us in connection with violations of such rights. In that case the supplier releases us from all claims by the owner of the protective right. This includes subcontractors of the supplier.

**15. No assignment/no set-off**

Claims on us must not be assigned except with our express written consent. The supplier is only permitted to set off his counterclaims when these have been recognized by declaratory judgment or accepted by us. The supplier can exercise a right to withholding only if his counterclaim is based on the same contractual relationship.

**16. Severability**

If any provision herein should be or become ineffective, the effectiveness of the other provisions is not affected.

**17. Legal venue/applicable law**

The legal venue for both parties is the District Court of Rudolstadt, Saalfeld Branch, Beulwitzer Straße 10 in 07318 Saalfeld, Germany or the Regional Court in Gera, Germany. We can also sue the supplier at his place of general jurisdiction. The laws of the Federal Republic of Germany apply.

**Terms of purchase, SHB Saalfeld, May 2018**