

Terms and Conditions of Assembly

1. Labor costs

1.1. The regular working week consists of 40 working hours. Operating and waiting periods are regarded as working hours. Working hours and travel time is calculated at the following hourly rates:

| | | |
|---|-----------|------|
| Assembly technician | EUR 62.00 | |
| (travel time) | EUR 50.00 | |
| Commissioning technician | EUR 72.50 | |
| (travel time) | EUR 58.00 | |
| Software specialist | EUR 85.00 | |
| (travel time) | EUR 68.00 | |
| Assembly assistant | EUR 26.00 | |
| | | |
| Surcharge for work and travel time between 4:00 p.m. and 6:00 p.m. | | 25% |
| Surcharge for work and travel time after 6:00 p.m. and on Saturdays | | 50% |
| Surcharge for work and travel time on Sundays | | 100% |
| Surcharge for work and travel time on public holidays | | 150% |

Daily expenses rate, not including overnight stays:

| | | |
|---------------|---------|-----------|
| Country group | Germany | EUR 35.00 |
| | I | EUR 40.00 |
| | II | EUR 50.00 |
| | III | EUR 55.00 |
| | IV | EUR 65.00 |

Minimum flat rate for overnight stays, or more as based on receipt:

| | | |
|---------------|---------|------------|
| Country group | Germany | EUR 45.00 |
| | I | EUR 70.00 |
| | II | EUR 80.00 |
| | III | EUR 100.00 |
| | IV | EUR 110.00 |

For country grouping please see appendix.

If the costs of overnight stays and catering are assumed by the final customer or dealer, we charge a flat rate of EUR 25.00/day.

1.2. The orderer must keep track of the working hours and performance of the assembly staff on a weekly basis using the assembly report provided.

1.3. In the case of assembly involving overnight stays, the full daily working hours and a minimum of 40 hours per week according to the general wage agreement of the Fachverband Metall union in North Rhine-Westphalia will be charged even if assembly staff are prevented from working for the full day through no fault of their own.

1.4. If staff do not travel home at weekends or on public holidays, the full expense rates will be charged for these days.

2. Travel costs

2.1. Travel costs amount to EUR 0.55 per kilometer for cars and EUR 0.75 per kilometer for vans and trucks, measured based on the distance between the customer and the manufacturer's factory or next service location. If a journey comprises multiple assembly jobs, the travel costs will be charged on a pro rata basis. Travel costs for journeys by rail or by air are charged according to receipt; first class may be used for rail journeys. General expenses as well as costs for rental cars, taxis, phone calls, etc. associated with the journey will also be charged.

2.2. The travel costs of assembly staff (including the cost of transport and cost of transport insurance for personal luggage as well as carried and sent tools) are charged at cost and according to receipt.


3. Invoicing

3.1. Assembly costs are invoiced once the assembly process has been completed and the assembly report submitted.

Invoiced amounts are due for payment immediately without deduction following receipt of the invoice.

Services provided by the client to the assembly staff free of charge that are not covered by an additional agreement or contractually agreed do not affect the final invoicing of assembly services.

3.2. General on-site services (assembly preparation, producing plans and instructions, monitoring assembly, contributions to assembly and liability insurance policies) are remunerated on the basis of a separate agreement.

3.3. Additional costs resulting from the replacement of assembly staff through no fault of  will be invoiced.

3.4. We reserve the right to submit partial invoices in the case of longer and more large-scale assembly jobs.


4. Security requirements, working conditions

4.1. The customer is obliged to provide a safe workplace, comply with existing security provisions and ensure appropriate working conditions.

4.2. Risk is borne by the orderer.

5. Additional terms

The orderer must assume responsibility for and provide in due time, at its own expense and risk, the following:

- 5.1.1. Assistants, including bricklayers and other tradesmen if required and at the request of our assembly staff. Our assembly staff is not obliged to perform any bricklaying work, electrical work or other auxiliary services that may be required. The customer is generally responsible at its own expense for ensuring that proper foundations are in place to accommodate and secure the machinery.
- 5.1.2. Transporting the parts to be assembled to the assembly location, protecting assembly parts and materials from any form of damage, cleaning parts.
- 5.1.3. Providing dry, secure rooms required to store assembly staff's tools.
- 5.1.4. Providing suitable rooms for breaks, working spaces (with heating, lighting, sink with running water, toilet facilities) and first aid facilities for assembly staff.
- 5.2.1. Equipment required for assembly and commissioning, such as lifting equipment, and the necessary resources such as scaffold boards, wedges, underlays, sealants and lubricants.
- 5.2.2. The orderer's technical staff must ensure that assembly can begin immediately after the arrival of the assembly staff without any form of delay. If special plans or instructions are required from the assembly company, it will provide the orderer with these plans and instructions in due time.
- 5.2.3. If the orderer does not meet its obligations,  is entitled to perform the activities for which the orderer is responsible itself at the orderer's expense. This does not affect the rights and claims of the assembly company.
- 5.3. Electrical connections, compressed air connections as well as standard conditions such as heating and lighting.
- 5.4. Providing suitable workpieces and edge material to test out the machinery.
- 5.5.1. The orderer is obliged to accept the assembly as soon as it has been notified that the assembly work has been completed and the contractually agreed testing of the assembled delivery object has taken place. If the assembly work is not completed in the contractually agreed manner, the assembly company is obliged to rectify the defect at its own expense. This does not apply if the defect is insignificant from the orderer's perspective or is based on circumstances not attributable to the orderer. If the defect is significant, the orderer is not permitted to refuse acceptance if the assembly company explicitly recognizes its obligation to rectify the defect.
- 5.5.2. If the acceptance is delayed through no fault of the assembly company, performance is deemed to have been accepted one week after the notification that the assembly work has been concluded.
- 5.5.3. Acceptance absolves the assembly company of liability for discernible defects insofar as the orderer has not reserved the right to assert a claim for certain defects in writing on the timesheet.
- 5.6. The assembly company is absolved of liability if the orderer has implemented changes or carried out maintenance without the assembly company's approval. The same applies if no original replacement parts are used.
- 5.7. If the assembly work is delayed through no fault of our own, the orderer bears all resulting costs including, in particular, waiting times and additional journeys assembly staff must undertake. The same applies if the delivered item cannot be commissioned immediately after the end of assembly through no fault of our own.
- 5.8.1. We are only liable for assembly not properly conducted by ourselves and not for any other claims. We are permitted to change or repeat improperly conducted assembly work and parts at our discretion.

5.8.2. Once the assembly has been accepted, the assembly company is only liable for defects that occur within six months of the work being accepted and not for any other claims on the part of the orderer. The orderer is responsible for rectifying such defects itself. The orderer must immediately notify the assembly company of any defects that are determined. The orderer's right to assert claims for defects lapses three months after the date of the notification. The warranty period is extended by the duration of the interruption caused as a result of the repair work.

5.8.3. The assembly company is not liable if the defect is insignificant from the orderer's perspective or is based on circumstances not attributable to the orderer.

5.8.4. The orderer cannot derive any claims if the assembly company is not in a position to dispatch assembly staff in due time due to a lack of suitable staff or force majeure.

5.8.5. The orderer is obliged to provide compensation for damages to or loss of any equipment or tools provided by the assembly company during transport or at the place of assembly through no fault of the assembly company. Damages caused as a result of normal wear and tear are not taken into consideration.

6. Other

6.1. All contractual relationships are subject to the laws of the Federal Republic of Germany.

6.2. The place of performance for delivery and payment is 59964 Medebach, Germany.

6.3. The sole place of jurisdiction for all current and future claims arising from the business relationship with registered merchants is the local court in 59964 Medebach, Germany.

6.4. The same place of jurisdiction applies if the orderer does not have a general place of jurisdiction in Germany, moves its place of habitual or permanent residence outside of Germany or its place of habitual or permanent residence is not known at the time of the filing of the suit.

7. Additional terms and conditions

7.1. The orderer is responsible for connecting the machinery switch cabinet to the main power grid (material, installation and connection).

7.2. The orderer's power grid must provide a constant voltage. The maximum permitted tolerances for switchgear and motors is +/- 5%.

7.3. The location of the machinery must have an average draft-free ambient temperature of between 18°C and 25°C.


7.4. There must be no inordinately high dust levels, caused for instance by construction work near to the location of the machinery.

7.5. The orderer must nominate a responsible party as a contact partner for the company's assembly staff.

7.6. If the circumstances resulting from non-performance are such that the company cannot reasonably be expected to carry out the works, the company can refuse performance without prejudice to the rights attributable to it.

7.7. These terms and conditions are supplemented by relevant legal and collective bargaining regulations and settlements. They are revised when the aforementioned terms and agreements change.

Our Terms and Conditions of Delivery and Payment – last revised July 2012 – also apply unless otherwise agreed.

 Paul Köster GmbH

Appendix

| Group I | Group II | Group III | Group IV |
|--------------------|-------------|-----------|------------------|
| Croatia | Belgium | Denmark | Argentina |
| Poland | France | Finland | Australia |
| Romania | India | UK | China (Shanghai) |
| Russian Federation | Netherlands | Italy | Canada |
| Slovakia | Austria | | Mexico |
| Slovenia | Spain | | Norway |
| Czech Republic | | | Sweden |
| Hungary | | | Switzerland |
| | | | U.S.A. |

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