

General Conditions of Sale and Delivery

1. General Provisions

The general conditions of sale and delivery provided herein apply to the following Baumer Group corporations.

- Baumer S.A.S., F-Fillinges
- Baumer Bourdon-Haenni S.A.S., F-Vendôme

This/these corporation(s) will be designated by the term Baumer within the context of the present conditions.

2. Conclusion of the contract

The delivery contract is deemed to have been concluded when Baumer makes the delivery or if Baumer declares its acceptance by sending a confirmation of the order. The execution of the delivery by Baumer does not imply the recognition of any future contradictory conditions submitted by the client. The acceptance of the product/service ordered by the client constitutes recognition of these conditions of sale and delivery, even if these were previously contested or if the client referred to other conditions when placing his order.

If an order is cancelled by the client, the client will be held responsible for all the costs already incurred by Baumer, notably the expenses and costs for finished products, ongoing works and raw materials concerned.

3. Offers

Offers made by Baumer are firm and definitive for a period of thirty (30) days following the date they were made, except in cases where a different period of time has been explicitly mentioned in a specific offer.

4. Price

Unless otherwise specified, the prices are ex-factory net prices (ex works, EXW Incoterms® 2010), plus packaging costs and turnover taxes at the legal rate applicable. These taxes shall be borne by the client. Any customs duties, taxes or charges of any kind collected outside of the seller's country during delivery shall be paid by the client or reimbursed by the client upon presentation of supporting documents by Baumer, in-so-far as these charges were mandatory. In the absence of any agreement to the contrary and that has been duly outlined in the confirmation of the order, the client shall bear all of the bank charges concerning letters of credit, bank guarantees, collections, payment receipts, eventual stamp duties on bills of exchange, etc. Baumer reserves the right to charge an extra processing fee for invoices that are less than 100.00 EUR.

5. Term of Delivery

The term of delivery shall start to run from the date on which the written confirmation is sent by Baumer, but not before all of the technical details have been specified. A term or date of delivery is not deemed to be firm unless the client has fulfilled all of his obligations within the required deadlines, notably by paying the advance due, opening all necessary documentary credits and presenting all the requisite administrative authorizations.

If delivery is late by reason of a fortuitous event such as mobilization, war, acts of terrorism, riots or similar events (such as strikes, lock-outs), attacks by third parties on the computer system (virus...), obstacles based on provisions of the law concerning foreign trade (such as an embargo), late or non-compliant deliveries to Baumer, or by any other reason not attributable to Baumer, the term of delivery will be extended for a reasonable period. The client has no right to cancel his order in such a case. If the client is late in making his payments, Baumer may suspend its own obligation until stalled payment has been received and may claim restitution of the parts already delivered.

6. Transfer of risk, transport, packaging, insurance

6.1 – The use, enjoyment and risk associated with the products are transferred unto the client from the moment they are handed over to the forwarding agent. Unless the client indicates a specific type of transport in his order, Baumer shall choose the expediting means that guarantees timely delivery and compliance of the transport. Insuring the transport falls on the client. Notwithstanding the fact that Baumer ensures the transport and the insurance, the client shall pay the costs relating thereto.

6.2 – Inspection: if necessary, Baumer shall inform the client as soon as the products are ready for inspection. From that moment on, the products will be stored in Baumer's installations for a period of 1 month, and do so without cost. After that period, Baumer reserves the right to bill its clients at a rate of 1 % per month, calculated on the value of the products, until the inspection is made and the billing authorization is given.

7. Payment

Payment is due from the moment the products are handed over to the forwarding agent, unless otherwise specified by agreement. The advance paid by the client is allocated against the price of the delivery. The advance is not a deposit which, if abandoned, entitles the client to terminate the contract. If the client does not make receipt of the delivery on the date agreed by contract, he must nonetheless make the payments associated with this delivery date. Late interest fees over 3 times the legal interest rate will be applied on overdue payments. The client may not retain any amounts on sums due to Baumer nor make compensation by reason of sums that might be owed by Baumer to him. A dunning charge of minimum 40 EUR will be claimed for delayed payments.

8. Property Reservation

The products subject to delivery (merchandise under property reservation) remain the property of Baumer until all of the obligations falling unto the client within the scope of the commercial relationship have been executed. If the value of all the security or collateral provided for the benefit of Baumer exceeds 20 % of the amount of all the secured debt, Baumer will release the corresponding amount of security, at the client's request. Baumer will be entitled to choose which securities are released.

During the period in which the property reservation applies, the client may not pledge or otherwise encumber, sell or dispose of the merchandise. The client may only resell the merchandise to resellers in the normal course of his business, providing the reseller obtains payment from his own client or subjects the transfer of property to that client to the full execution of that client's payment obligations. If the client resells merchandise with a property reservation clause, the client hereby assigns unto Baumer, as a protective measure, the future debt-claims he may have towards his clients, as well as all ancillary rights thereto attached.

The client may transform the merchandise that is subject to a property reservation, or assemble it with other objects. The client will hold and keep the new product on Baumer's behalf and exercise due commercial care in doing so. The new product will be subject to the same property reservation clause. Baumer and the client agree that in the case of assembly with other objects not belonging to Baumer, Baumer will in each case be co-proprietor of the new object to the extent of the part representing the value of the merchandise affected by the property reservation clause at the date of assembly. The new product is subject to the property reservation clause for that part. Regulatory provisions concerning assignments of debts-claims-receivables also apply to the new product.

The client is authorized to collect all assigned claims resulting from the resale, except where otherwise provided. Baumer may revoke the right given to the client to collect claims if there is reasonable motive to do so, such as late payments, interruption of payments, the filing of a class action, the protest of a bill of exchange or in the case of indicative evidence of over-indebtedness or the threat of default in payments. Moreover, after a prior warning accompanied by a reasonable delay, Baumer may reveal the assignment of securities, assert all claims assigned and ask the client to inform his clients of the assignment made.

The client shall immediately inform Baumer of any seizure, confiscation or other disposal or intervention by a third party. If a legitimate interest is demonstrated, the client will immediately provide Baumer

with all the necessary information to assert his rights against the client and will deliver unto Baumer the corresponding documents.

If the client does not fulfill his obligations, such as making timely payments, Baumer shall be authorized to terminate the contract while retaining the right to demand restitution of the merchandise, subject to having given the client thirty (30) days to make his payment. The client is obligated to make restitution. The repossession of the merchandise by Baumer will not in itself constitute a termination of the contract, unless specifically provided by Baumer.

9. Guarantee

Baumer guarantees the quality of its products to the client in accordance with and to the extent of the technical specifications. The parts relevant to security components as defined in the Machinery Directive of the E.U., are not guaranteed unless Baumer has given a prior written acceptance. Baumer's guarantee is limited to the replacement or the repair of defective parts and only applies to causes that occur prior to the transfer of risk. Liability for other direct or indirect damages is excluded, unless otherwise provided by law, and no compensation is due, in particular, in the case of business interruption, etc.

The guarantee expires or ceases to apply in cases where the client does not use the genuine spare parts delivered by Baumer or if the client undertakes to eliminate the defects himself. The client is obligated to verify the delivery upon receipt to ensure that it is complete and that it was not damaged during transport. Transport defects must immediately be reported in a written claim and accompanied by appropriate evidence. Product defects may be reported in a claim at any time during the period covered by the guarantee, at any time before and/or after transformation and/or resale, provided that the claim is made without delay after the discovery of the defect, in writing, accompanied by the defective part. The client may only prevail himself of the present conditions of guarantee if he puts forth evidence that the defects in question occurred notwithstanding compliant assembly or use. The duration of the guarantee is of 24 months from the shipping date. The guarantee for spare parts provided or repaired during the course of the guarantee expires on the same date as the guarantee on the original parts delivered. Baumer reserves the right to bill the client for any and all costs and charges incurred by Baumer in regards to returned merchandise and to functional tests, and that do not fall under the present guarantee.

If the provision of merchandise includes software for data processing installations, the following conditions also apply:

Baumer guarantees that the software provided is free of reproducible defects. To take advantage of this guarantee, the client must ensure compliant use, in accordance with the contract. The client will immediately notify Baumer of any programming errors. These errors shall be deleted by Baumer. If the deletion of any such error is not possible, Baumer shall develop an adequate replacement solution. If Baumer does not manage to meet this obligation, the client may either request an appropriate reduction in price or the cancellation of the contract.

Baumer does not guarantee that the software provided corresponds to the specific needs of the client.

10. Software

If the products delivered include software, a user license will be provided with the product for the duration of its lifespan, and for each of the products delivered. Any form of retro-engineering, modification or deletion from the product is prohibited.

11. Safety Instructions

The client agrees to use the delivered product within the limits specified in the operating manual and to carefully inform his clients and his delegates concerning the use and operation of the said product. The client agrees to provide Baumer, if so requested by same, with the details of the experience accumulated from the use of the product. At the client's express request, Baumer agrees to replace at any time, without charge, the safety panels that were delivered with the product and that may have become illegible or may have been lost. However, the client is responsible for their assembly. Baumer is free to choose the format of these safety instructions when delivering replacement panels. Baumer provides the compliance statements without cost to the client and only if the conservation of the originals was left to its care.

12. Performance Reservations

The performance of this contract is subject to the condition that no reservation to its performance exists, resulting from either German, American (USA) or other national, European or international provisions, and to the extent that no legislation concerning foreign trade or embargos or other restrictive regulatory measures impede it.

The client will provide all the information and documentation necessary for the export, transfer or import of products.

13. Infringement of Intellectual Property

If a third party were to make claims of infringement in matters of intellectual property or of copyright against the products delivered by Baumer and used in compliance with the contract, Baumer will investigate these claims and, according to its appreciation and at its own expense, Baumer will either acquire the rights necessary for the use of the said product or, modify the product in order to preserve these rights or, replace the product. If no solution becomes available within reasonable and acceptable conditions, Baumer will take back the product and reimburse its cost. Any other claim made by the client to Baumer is excluded. Paragraph 14 (Other Liabilities) shall not be affected by such an occurrence and neither will the client's right to terminate the contract.

14. Other Liabilities

The client may not make any claims or file a suit for damages, no matter the legal motive invoked, including allegations of non-compliance with contractual obligations, of pre-contractual infractions or of any other liability claim. Baumer is not liable for accessory obligations, for the absence of financial results, for foregone earnings, for consequential damages, for damages resulting from defects and for damages ensuing from third-party allegations about the client. The above-mentioned limitations in liability also apply to Baumer's collaborators, managers and governing bodies.

This clause does not apply if the liability is the result of a legal obligation, such as the obligations under the law on the civil liability in relation to the product, or in cases of a deliberate act, gross negligence, or the absence of the guaranteed quality. In addition, the exclusion of liability does not apply to injuries to life, limb and health occurring as the result of a violation of Baumer's obligations through negligence or deliberate act or through the negligence of one of Baumer's representatives or vicarious agents. The damages for failure to fulfill important contractual obligations are however limited to the damages normally foreseeable and generally applicable in these types of contracts, providing there was no deliberate act or gross negligence. The foregoing provisions do not modify the burden of proof which rests on the client.

15. Place of Jurisdiction and Applicable Law

The present contract is subject to French Law; the competent court of law is the court that has jurisdiction in the place where the concerned corporation of the Baumer Group (according to paragraph 1) has its corporate office. The United Nations' Convention on the Sale of International Goods (CSIG) is not applicable to this contract.

16. Safeguard Clause

The non validity of one or many of the provisions of these General Conditions will not invalidate the other provisions and clauses, which will remain applicable between the parties. The validity of the General Conditions shall not be called into question, as a whole, unless upholding the conditions was to constitute a constraint of a « hardship » type for one of the two parties.