

Annex Rental Terms & Conditions

April 2019

These Rental Terms & Conditions are an integral part of any business relationship between RAGSOL and Customer in the context of RAGSOL's Equipment rented by the Customer and supplement RAGSOL's General Terms & Conditions for the performance of sales & services of RAGSOL GmbH. Where Customer refers to own terms and conditions in the context of equipment renting, we explicitly reject and object to such terms and conditions.

1. Definitions

Except as otherwise provided in these Rental Terms & Conditions, capitalized terms used but not defined herein shall have the same meaning as ascribed to them in RAGSOL's General Terms & Conditions for Technology Sales & Services.

- A. **Customer:** Party renting RAGSOL's Equipment as defined in the Order.
- B. **Rental Period:** period of rent by the Customer of RAGSOL's equipment;
- C. **Equipment:** any product, machinery, facility apparatus, material or equipment (including all accessories supplied either as part of a kit or as standard with the main unit) as set out in the Quotation.

2. Rental Period

- 2.1. The start and the end of the Rental period are indicated in the Quotation.
- 2.2. Unless explicitly stated otherwise in the Quotation, RAGSOL's equipment must be returned no later than at the expiration of the Rental Period and retention of possession after this time constitutes a material breach of the Contract.
- 2.3. Customer agrees that if the rented Equipment is not returned to RAGSOL before or at the expiration of the Rental Period RAGSOL shall in any case be entitled to continue charging the agreed rental fee and a late surcharge of 15% without prejudice to any statutory rights to raise further claims for damages RAGSOL may have.
- 2.4. For the purposes of this Clause 2, RAGSOL's Equipment shall be deemed to be returned when RAGSOL has confirmed the proper return of the Equipment at the location of return as defined in the Quotation (or otherwise agreed) in the takeover protocol. RAGSOL shall not be obliged to take possession of the Equipment before the agreed end of the Rental Period.
- 2.5. The Rental Period may at any time be extended by mutual written agreement of both parties.

3. Obligations of the Customer

- 3.1. At the start of the Rental Period, Customer shall
- (a) sign a takeover record stipulating the condition of the Equipment and evidence of the transfer of the Equipment to Customer.
 - (b) inspect the Equipment on delivery and notify RAGSOL in writing within three working days of any defects in the Equipment. In the absence of such notification the Equipment shall be deemed to be free of defects and in full working order on delivery (hidden defects excluded). Any hidden defects must be notified to RAGSOL as soon as they become apparent.
- 3.2. The risk of loss, theft, damage or destruction of the Equipment as well as all liability (including loss due to loss of use, damage to property, damage for personal injury or consequential damages that the Equipment or use thereof may inflict on the Customer, Customer's employees, the user or third parties), with regard to the Equipment shall pass to the Customer on the earlier of a) the start of the Rental Period or b) when the Customer or Customer's agent takes possession of the Equipment. The Equipment and any use of the Equipment shall remain at the sole risk and responsibility of the Customer during the Rental Period and until RAGSOL has confirmed the proper return of the Equipment in writing in accordance with clause 2.4.
- 3.3. Unless otherwise stipulated in the Quotation, any transport costs shall be borne by the Customer.
- 3.4. During the Rental Period and until RAGSOL has confirmed the proper return of the Equipment in writing in accordance with clause 2.4, Customer shall
- (a) at its own expense maintain (including repairs subject to lit (k) below) the Equipment in good repair, condition and appearance; if applicable: in accordance with the manuals and/or maintenance instructions provided by RAGSOL;
 - (b) at its sole risk and responsibility use all Equipment only for its designated purposes in a safe, careful, prudent and workmanlike manner and in accordance with the instructions for use;
 - (c) verify that the Equipment is in working order and ensure that use of the Equipment does not cause injury, loss or damage to any person or property;
 - (d) comply with all applicable laws, regulations, rules or ordinances of lawfully constituted authorities relating to the possession, use, storage and transport of the Equipment;
 - (e) maintain effective control of the Equipment and keep the Equipment in a secure and suitable environment when not in use;
 - (f) give RAGSOL immediate notice in the event the Equipment is lost, stolen or damaged or if there is a claim or, for any reason, a threat or seizure of the Equipment.
 - (g) ensure that the Equipment is operated only by suitably competent persons, duly instructed in its safe operation in accordance with RAGSOL's and/or the manufacturer's operating manuals, instructions and safety warnings;
 - (h) ensure that no unauthorized use, transfers or diversions of the Equipment occurs;
 - (i) not remove, alter, disfigure or cover up any numbering, lettering or insignia displayed upon the Equipment or any warnings or documentation thereon;

- (j) not copy, reproduce and/or reverse engineer or allow any person to copy, reproduce and/or reverse engineer in any way or manner the Equipment or any part or component thereof;
- (k) not perform, or allow any person to perform, any work in or upon or make modifications, changes, alterations or repairs to the Equipment other than routine maintenance in accordance with the manuals / maintenance instructions provided by RAGSOL or when otherwise explicitly instructed by RAGSOL;
- (l) allow RAGSOL or its representatives to inspect the Equipment at all reasonable times and for such purpose to enter the site or any premises at which the Equipment may be located, and shall grant reasonable access and facilities for such inspections;
- (m) keep the Equipment free from any liens, claims, charges and encumbrances during the Rental Period;
- (n) keep RAGSOL fully informed of all material matters relating to the Equipment.

3.5. At the end of the Rental Period,

- a) Customer shall – to the exclusion of any retention rights – immediately return to RAGSOL the Equipment including all accessories, manuals and instructions provided with the Equipment in good condition and full working order (fair wear and tear excepted) unless otherwise agreed in writing. Customer shall be responsible for and bear all related costs to bring the Equipment to such condition, failing which RAGSOL shall at its own discretion be entitled to bring the Equipment to good condition and full working order and Customer shall reimburse RAGSOL for these expenses;
- b) Customer shall be responsible for and bear all costs for decommissioning and transfer of the Equipment from Customer to the agreed return location;
- c) the Parties shall complete a takeover protocol evidencing the transfer and the condition of the Equipment to RAGSOL.

3.6. Customer is obliged to protect RAGSOL rights, know-how-IP rights and intellectual property. In case of any infringements, Customer is obliged to inform RAGSOL about any infringement without undue delay. In coordination with RAGSOL, Customer shall be responsible for taking all actions, in the courts, administrative agencies or otherwise, including a settlement, to prevent or enjoin any and all such infringements and other unauthorized uses.

4. Maintenance / Damages / Loss of Equipment

4.1. Customer shall perform minor maintenance services according to the manuals / maintenance instructions provided by RAGSOL.

4.2. Customer shall ensure that regular maintenance is performed (incl. replacement of wear parts, to timely recognize defects and comply with legal requirements). Unless otherwise determined in the Quotation, Customer may order the regular maintenance services with RAGSOL and/or its service partners whereas Customer has to bear the related costs.

4.3. In the event that the Equipment breaks down or becomes unsafe to operate, the Customer must immediately stop using the Equipment, notify RAGSOL, and ensure that the

Equipment does not sustain any further damage and prevent the Equipment from causing injury, loss or damage to any person or property.

- 4.4. In the event that Equipment is lost (including theft) or damaged during the Rental Period, Customer shall,
- immediately inform RAGSOL in writing (e-Mail suffices) and
 - not attempt to repair or have repaired the Equipment without RAGSOL's prior written consent excluding the break-down and/or damage to wear parts according to the manuals / maintenance instructions provided by RAGSOL which may be replaced by Customer using qualified personnel / qualified third party service providers.
- 4.5. With regard to parts/components other than wear parts RAGSOL will instruct Customer without undue delay on how to proceed.
- 4.6. Customer shall, without prejudice to any other claims RAGSOL may have under statutory or contractual rights, bear all costs for the repair or replacement of the Equipment and all ancillary costs and expenses RAGSOL incurs, excluding the repair of any defects (including hidden defects) existing at the start of the Rental Period. Subject to clause 4.7, downtimes for repair and/or maintenance shall not entitle Customer to any reductions in the rental fee.
- 4.7. In the event that the Equipment suffers a breakdown due to a defect in materials or workmanship existing at the start of the Rental Period, RAGSOL shall bear the costs of repair and Customer shall not be obliged to pay the rental fee for the affected part of the Rental Period. RAGSOL's liability shall be limited to the cost of repair, including parts and labour, to return the Equipment to full working order.
- 4.8. RAGSOL reserves the right to – in its own discretion – repair or replace the damaged/inoperable Equipment with an equivalent item in which case all the terms and conditions of this Contract shall apply to the exchanged or replaced Equipment.
- 4.9. RAGSOL may, at its sole discretion, extend the Rental Period at no additional cost to the Customer for the time required to replace or repair the Equipment. RAGSOL shall not be obligated to bear the costs of Customer's labour or standby time in connection to any breakdown, nor any costs related to the delay of Customer projects.

5. Warranty

- 5.1. Unless stated otherwise in the Quotation, RAGSOL warrants that Equipment – at the start of the Rental Period – is in good operating and physical condition and is able to provide the functionality described in the product data sheet.
- 5.2. Customer's sole and exclusive remedy (in lieu of any oral representation and all other warranties and remedies, whether implied or statutory) under the foregoing warranty shall be that RAGSOL – at RAGSOL's sole discretion – repairs or replaces any equipment that fails to meet the above criteria.

6. Liability, Indemnity

- 6.1. This Indemnity clause supplements the Liability clause 9. in the General Terms and Conditions for Technology Sales & Services.

- 6.2. For the purposes of clause 9 of the General Terms and Conditions for Technology Sales & Services, the “net amount of the individual object of performance giving rise to the liability claim” shall be equal to the lower of a) the rental fee for the entire Rental Period or b) the fee for a rental period of one year.
- 6.3. The Customer agrees to indemnify and hold RAGSOL and its directors, officers, employees and agents, harmless from and against all liability, claims and expenses (including legal costs on a full indemnity basis and including third party claims) howsoever arising or incurred, in respect of Customer’s use of the Equipment during the Rental Period.
- 6.4. The Customer agrees to indemnify and hold RAGSOL harmless in case of any loss, theft or damage of the Equipment.
- 6.5. In case any damages occur during a sublease (see clause 9) of the Equipment, the above shall apply mutatis mutandis and Customer will indemnify and hold RAGSOL harmless from claims made by sub-lessee the Equipment (incl. loss of production and/or any further damages).

7. Insurance

- 7.1. Customer and RAGSOL shall stipulate all relevant insurance provisions and the respective bearing of costs in the Quotation/purchase order/order confirmation. In case no provisions thereto are considered, RAGSOL shall have at its own discretion the right to either (i) obtain and maintain or (ii) request the Customer to obtain and maintain insurance for the Equipment against all risks of loss or damage, third party claims and for all purposes for which the Equipment is used and any other insurance as RAGSOL may reasonably require.
- 7.2. In case RAGSOL will obtain and maintain these insurances, Customer shall be obliged to reimburse RAGSOL, unless otherwise agreed in the Quotation.
- 7.3. In case Customer is obliged to obtain and maintain these insurances, Customer shall bear any related costs. Customer shall, upon request of RAGSOL, provide RAGSOL with certificates of insurances evidencing the coverage required at clause 7.1.
- 7.4. If the Customer fails to obtain or maintain insurance cover or to provide satisfactory evidence thereof, this shall constitute a material breach of the Contract and RAGSOL shall be free to refuse to provide the Equipment or to demand immediate return of the Equipment at Customer’s expense.
- 7.5. The provision of any insurance required herein does not relieve the Customer of any responsibilities or obligations outlined in the Contract or for which the Customer may be liable by law or otherwise.

8. Title

- 8.1. The Equipment shall at all times remain the property of RAGSOL, and the Customer shall have no ownership, right, title or interest in or to the Equipment other than the right of use in accordance with the Contract.
- 8.2. The Customer shall at all times during the Rental Period ensure that

- no encumbrance is granted over the Equipment;
- the Equipment is not sold, assigned, transferred or otherwise disposed of and that no attempt is made to do so;
- no insignia, logos or other markings indicating RAGSOL's ownership of the equipment are removed, altered, or covered in any way; and
- the equipment is treated in a manner which is consistent with RAGSOL's ownership rights.

9. Sublease of the Equipment

- 9.1. Customer shall not sublease and/or transfer the use to third parties or otherwise part with the control of the Equipment without RAGSOL's prior written approval.
- 9.2. Prior to any sublease, Customer shall provide RAGSOL with detailed information about the intended sub-lessee as well as the purpose, scope, period and all other relevant information concerning the sublease.
- 9.3. If, at its sole discretion, RAGSOL approves the sublease, Customer shall ensure that any sublease agreement provides RAGSOL with essentially the same rights against sub-lessee as it has against Customer and that sub-lessor has the same obligations against RAGSOL as Customer has under the Contract.
- 9.4. Notwithstanding any sub rent agreement, Customer shall remain primarily liable to RAGSOL for all of Customer's duties and obligations contained in this Contract. Any act or omission of sub-lessee that would constitute a breach of this Contract if committed or omitted by Customer shall be deemed a breach by Customer. Each sublease agreement shall contain a right of termination by RAGSOL for the sub-lessee's (i) breach of any obligations affecting RAGSOL, or (ii) breach of any other terms or conditions of the sublease agreement that is also set forth, in substance, in this Contract, which breach would constitute a breach of this Contract if Customer failed to comply therewith. In the event of sub-lessee's breach of these obligations, and if after a reasonable cure period provided in the sublease agreement, not to exceed fourteen (14) days, the sub-lessee fails to cure the sublease breach, then Customer shall terminate the sublicense agreement by written notice to sub-lessee within fourteen (14) days hereafter and concurrently provide a copy of such notice to RAGSOL.