

Lease conditions, Bilz Pay-Per-Shrink

1. General

- 1.1. The following lease conditions apply to the lease of the Pay-per-Shrink model for the shrink machine ISG1100 (hereinafter referred to as "leased object") by Bilz Werkzeugfabrik GmbH & Co. KG (hereinafter referred to as "Lessor") to a Lessee.
- 1.2. The lease conditions of the Lessor (hereinafter referred to as "lease conditions") shall apply exclusively and as a supplement to the statutory provisions of Articles 535 ff of the German Civil Code (BGB). The Lessor shall not acknowledge any conditions of the Lessee that contradict or deviate from and are not regulated in these lease conditions, unless the Lessor has expressly agreed to their validity in writing. These lease conditions shall also apply if the Lessor provides the services to the Lessee without reservation, fully aware of conditions of the Lessee that contradict or deviate from and are not regulated in these lease conditions, if the Lessee in his inquiry or in his purchase order refers to the validity of the Lessee's general business conditions.
- 1.3. All agreements that have been made between the Lessee and Lessor for the purpose of executing a contract, must be specified in writing in this contract and in the applicable lease conditions.
- 1.4. These lease conditions shall apply relative to a merchant as stipulated in Article 14, BGB.

2. Type of use by the Lessee, location of the leased object

- 2.1. The leasing of the object occurs for the exclusive use of the Lessee. The Lessee may not sublet the leased object to a third party, except it is an authorized sales partner of the Bilz Werkzeugfabrik GmbH & Co. KG, transfer rights from the lease or permit use of or co-use of the leased object by a third party in any other manner.
- 2.2. The Lessee shall not be permitted to pledge or transfer the leased object as security.

3. Property

- 3.1. The leased object remains the property of the Lessor for the entire duration of the lease.
- 3.2. If the leased object is placed in a facility or is combined with moveable objects or objects that are connected to the ground and floor, this may only be done for a temporary purpose as stipulated in Article 95 BGB, with the intention of disconnecting the object upon termination of the lease.

4. Designation of the leased object

- 4.1. The lessee shall not damage, modify, remove or render illegible the signs, numbers, or other labels affixed to the leased object.
- 4.2. In addition, the lessee shall not be entitled to use the leased object with his own company designation or other notices that give the impression that the Lessee is the owner of the leased object.

5. Handover, delivery date

- 5.1 The Lessor shall deliver the leased object in accordance with the agreed delivery date in perfect and operable condition (a) to the agreed delivery location or (b) - if agreed - hold the leased object ready for pick-up at the Lessor's registered office. In the event of a delivery according to subsection (a) above, the Incoterm FCA shall apply, i.e. the Lessor shall pay for transport.
- 5.2 Compliance with the delivery date requires the fulfilment of all contractual obligations on the part of the Lessee.

6. Lease

- 6.1 The term of the lease and the amount of lease shall be bindingly specified in the order confirmation/delivery agreement.
- 6.2 Additional charges such as training, commissioning, installation and removal, repair, maintenance, spare parts costs, provision of operating materials and personnel, as well as costs for accessories, are not included.
- 6.3 In addition to the rent, VAT (value added tax) will be charged separately.
- 6.4 If a specific lease period has not been agreed upon, either contractual party may terminate the lease in accordance with the statutory provisions.

7. Lessee obligations after placing the lease object in service

- 7.1. The Lessee shall be obligated,
- to protect the leased object from any form of excessive use, and ensure proper use, particularly by trained specialists,
 - to professionally maintain and care for the lease object at regular intervals at his own expense, or have the lease object maintained and cared for at regular intervals,
 - comply with maintenance, care and use instructions provided by the Lessor.

8. Claims for defects

- 8.1. The Lessor shall rectify all damage to the leased object occurring during proper use, in that the Lessor repairs the leased object or provides the Lessee with a new leased object of the same type.
- 8.2. Rectification of all other damage shall be the responsibility of the Lessee. In particular, this shall be damage that occurs from unsuitable or improper use, faulty assembly or commissioning, changes made in breach of contract or maintenance tasks performed by the Lessee or commissioned third parties. This shall also include faulty or negligent handling - in particular excessive use, unsuitable operating materials and replacement materials, chemicals or electrical influences that cause damage, if these cannot be linked back to a fault on the part of the Lessor. This shall also apply to corrosion and rust damage.
- 8.3. Malfunctions, errors or damage that occur must be reported to the Lessor immediately.

9. Liability

- 9.1. Irrespective of the provision under Section 8, the Lessor shall be liable for damages and for reimbursement of expenses incurred in vain as stipulated in Article 284 BGB (hereinafter "damage compensation") due to defects or due to the violation of other contractual or non-contractual obligations, in particular due to unlawful acts, only in the case of intent or gross negligence.
- 9.2. The above limitation of liability shall not apply in the event of injuries to life, body or health, the assumption of a guarantee, the violation of essential contractual obligations, as well as in the case of liability under the Product Liability Act.
- 9.3. Damage compensation due to violation of essential contractual obligations shall be limited to compensation for damage that is typical for the contract, which the Lessor should have foreseen as a possible consequence at the time the contract was entered into, due to circumstances recognisable to the Lessor, unless intent or gross negligence or liability for injury to life, limb or health are present arising from the assumption of any guarantee, or strict liability under the Product Liability Act.
- 9.4. A change in the burden of proof to the detriment of the Lessee is not associated with the provisions cited above.
- 9.5. Essential contractual obligations as stipulated in Section 9.3 are those obligations for which fulfilment is essential for proper execution of the contract, and compliance on which the Lessee may regularly rely.

10. Changes to the lease object

- 10.1. Changes to the lease object, particularly extensions and installations, as well as connections with other moveable objects or objects that are connected to the ground and floor, require the prior written consent of the Lessor.
- 10.2. If changes to the lease object are ordered by the authorities, the Lessor must be notified immediately.
- 10.3. Changes made without prior consent, extensions and installations, as well as connections with other moveable objects shall become the property of the Lessor without compensation. The Lessee has no right of removal.
- 10.4. The Lessor may, in the event of changes, extensions and installations, as well as connections with other moveable objects, demand that the Lessee brings the object back to its original condition at his own expense.

11. Third party access

- 11.1. In the event of confiscations, seizures or other disposals or interventions by third parties, regardless of whether these are carried out at the instigation of an authority or a private party, the Lessee must immediately inform the third party of the ownership conditions verbally and in writing, and immediately inform the Lessor, providing all necessary documents.
- 11.2. The Lessee must inform the Lessor immediately if a foreclosure and/or compulsory administration has been applied for with regard to the properties on which the leased object is located.
- 11.3. The Lessee shall bear the costs for all measures taken to remedy such third party intervention.

12. Lease period

- 12.1. The lease period begins and ends on the date specified by the Lessor in the contract note. Regardless, the lease period terminates at the earliest with the return of the lease object to the Lessor at the Lessor's registered office. If the end of the lease period is not specified by contract, the lease agreement may be terminated by the Lessee at the end of a rental month by returning the lease object to the Lessor at the Lessor's registered office. In this case, the Lessor may terminate the lease in accordance with the statutory provisions (Article 580 a Para. 3 BGB); under no circumstances shall a claim exist for reimbursement of the credits purchased (shrinkage times).
- 12.2. The right to terminate without giving notice for cause, shall remain unaffected.

13. Termination without notice

- 13.1 Either party may terminate the lease agreement for good cause without notice. Good cause shall be present if, taking into account all circumstances of the individual case, in particular a fault of the parties, and weighing the interests of both parties, the termination cannot be reasonably expected to continue until expiration of the period of notice or until the lease is otherwise terminated. In addition, reference is made to the provision of Article 543 BGB.
- 13.2 In particular, the Lessor shall be entitled to terminate the lease without notice, if
- the Lessee, does not purchase a minimum volume of 800-time credits from the Lessor within six months;
 - the Lessee - after unsuccessful expiration of a reasonable period of time determined for remedial action or after unsuccessful reminder - entrusts a third party with the use of the lease object.

14. Return

- 14.1 Upon termination of the lease, the Lessee shall immediately return the lease object to the Lessor at the Lessor's registered office in a proper, in particular, cleaned and complete condition.
- 14.2 The Lessee shall not be responsible for changes or deteriorations caused by use in accordance with the contract.
- 14.3 If the leased object is not returned in proper condition, the Lessee shall be obliged to bear the damage incurred by the Lessor as a result, in particular, any loss of lease income. This shall not apply if the Lessee is not responsible for this breach of obligation.

15. Place of fulfilment, applicable law

- 15.1 Place of fulfilment for all rights and obligations arising from these lease conditions for both parties shall be the Lessor's registered office.
- 15.2 The Esslingen Local Court shall be responsible for legal disputes that fall under the substantive jurisdiction of the local courts; the Stuttgart Regional Court is responsible for legal disputes that fall under the substantive jurisdiction of the regional courts.
- 15.3 The contractual relationship is subject to the law of the Federal Republic of Germany, to the exclusion of the conflict of laws provisions.