



General Terms and Conditions of Business

General sales and delivery conditions, as of date: 01/03/2017

1. Preamble

All deliveries and services are exclusively subject to these delivery conditions unless they are amended by an express written agreement between the parties.

All proposals, acceptances of proposals, order confirmations or sales transactions of products are subject to these conditions. All purchaser terms and conditions or any conditions, which may alter the contract, shall be excluded. They shall only be binding for the supplier if the supplier has agreed to such alterations in writing.

These conditions form the basis for any future individual purchase transaction between the purchaser and supplier, and they shall exclude any other agreement.

Possible unintended errors in sales brochures, price lists, proposal documents or any other documentation of the supplier may be corrected by the supplier without the supplier being responsible or liable for any damage that results from such errors.

These general terms and conditions of sale and delivery shall only be applicable to business people and traders.

2. Proposal, proposal documents and conclusion of the contract

2.1. Proposals are always non-obligatory unless they are subject to a time limit.

2.2 Orders placed by the purchaser shall only be regarded as accepted by the supplier if the supplier or his representative has accepted the order in writing or electronically (e.g. by email) within 21 days from its receipt.

2.3 The supplier reserves the property rights and copyrights to the samples, cost estimates, drawings and other information of a physical and non-physical nature, including in an electronic format, which must not be disclosed to third parties.

2.4 With regard to the accuracy of the order, the purchaser shall be responsible for providing the supplier with all necessary information regarding the ordered goods in due time so that the order can be implemented according to the contract.

3. Purchase price and payment conditions

3.1 In the absence of any special agreement, the prices shall be applicable ex works including loading in the factory, but excluding packaging, freight, postage, insurance and unloading. Value added tax at the applicable rate will be added to the prices. Any other taxes, customs duties and other charges, which become due with the delivery, shall be borne by the purchaser.

3.2 The purchaser shall only be entitled to a right to withhold payments or offset payments against counterclaims if his counterclaims are undisputed or have been legally confirmed.

3.3 If the purchaser does not comply with his payment obligation by the due date, the supplier may, at his own discretion and without waiving possible further rights and entitlements that he may have:

- Set a grace period (unless this is unnecessary subject to the respective circumstances) and terminate the contract after the grace period has expired, and/or
- Suspend further deliveries to the purchaser, and/or
- Charge the purchaser interest to the amount of 8% p.a. above the respective base rate on the unpaid amount until the outstanding amount has finally been paid in full. The purchaser shall be entitled to prove that his delayed payment did not result in any damage or merely caused minor damage.

4. Delivery time and delayed delivery

4.1 The delivery time results from the agreements between the contract parties. It starts with the date of the order confirmation, but not before all commercial and technical questions have been clarified between the contractual parties and the purchaser has fulfilled all of his obligations, such as the obligation to provide the permits or approvals, which are required by the authorities, or the obligation to pay a deposit. If the above is not the case, the delivery time shall be extended accordingly. The above does not apply if the supplier is responsible for the delay.

4.2 The observance of the delivery time is subject to the supplier's correct and timely receipt of his own deliveries by his sub-suppliers. The supplier shall notify the purchaser of any delay, which he can foresee, as soon as possible.

4.3 All deliveries shall be made ex works. The delivery time shall be regarded as observed if the delivery object has left the factory of the supplier or the partner company who is producing the item(s) on behalf of the supplier by the delivery date or if the purchaser has been notified of the readiness for delivery by the delivery date. If an acceptance needs to be carried out, except for cases where the acceptance is justifiably rejected, the acceptance date shall be binding. Alternatively, the notification of the readiness for acceptance shall be binding.

4.4. If the shipment or acceptance of the delivery object is delayed for reasons, for which the purchaser is responsible, the supplier shall invoice the costs, which the supplier has incurred due to the delay - especially storage costs, starting one month

after the notification of the readiness for delivery or acceptance - to the purchaser. If the object of delivery is stored in the supplier's factory, the supplier shall be entitled to invoice the storage costs at a flat rate of 0.5% of the invoice amount for each month or part thereof subject to a specific calculation of the incurred extra expenses. The purchaser shall be entitled to prove that the supplier has incurred no costs or damage at all or that the incurred damage is significantly smaller than the invoiced flat rate.

4.5 If the non-observance of the delivery time is due to force majeure, labour disputes, strike or other events that are outside the supplier's control, the delivery time shall be extended accordingly. The supplier shall notify the purchaser of the beginning and end of such circumstances as soon as possible.

4.6 If the impossibility or inability to observe the delivery time occurs during the purchaser's delayed acceptance or if the purchaser is wholly or predominantly responsible for these circumstances, he shall remain obligated to render his counterperformance.

4.7 If the purchaser grants the supplier a grace period for making his owed delivery after the due date subject to legal exemptions and if the supplier does not observe this grace period, the purchaser shall be entitled to withdraw from the contract subject to all applicable laws and regulations. The purchaser agrees to notify the supplier of his use of this entitlement to withdraw from the contract on the supplier's request.

Further entitlements from the delayed delivery shall be exclusively subject to section 8 of these conditions.

5. Transfer of risk

5.1 The risk is transferred to the purchaser when the supplier has notified the purchaser of the delivery object's readiness for collection, but at the latest when the delivery object has left the factory of the supplier or of a partner company who has produced the delivery object on the supplier's behalf ("ex works", Incoterms 2010). This shall also apply if partial deliveries are made or if the supplier has taken on other services, such as the shipment costs or delivery to the purchaser and installation on the purchaser's premises.

The supplier shall only insure the shipment against theft as well as breakage, transport, fire and water damage or other insurable risks on the purchaser's express request and at the purchaser's cost.

5.2 If the shipment or a possible acceptance is delayed or not carried out (if an acceptance has been agreed) due to circumstances that are outside the supplier's control, the risk shall be transferred to the purchaser on the date of the notification of the readiness for shipment or acceptance.

5.3 If an acceptance is to be carried out, it shall be regarded as implemented with the preparation of the acceptance report.

5.4 In all other cases, the delivery object shall be regarded as accepted if

- a) The delivery and, if the supplier is also responsible for installing the delivery object, the installation have been completed,
- b) The supplier has notified the purchaser of this situation subject to a reference to the assumed acceptance according to this item 5.3 and has asked the purchaser to carry out the acceptance,
- c) 3 months have passed since the delivery object has left the factory or 6 weeks have passed since the delivery object has been delivered to the purchaser or 4 weeks have passed since the installation of the delivery object or 3 working days have passed since the purchaser has commissioned the delivery object,
- d) The purchaser has not carried out the acceptance within the above period of time for any other reason apart from a possible defect, which the purchaser has indicated to the supplier and which renders the usage of the purchased object impossible or significantly impairs its usage.

5.5 If the purchaser commissions the delivery object without an acceptance despite the acceptance having been agreed beforehand, the purchaser acts at his own risk. The supplier shall not be liable for any damage resulting thereof.

5.6 Partial deliveries are permissible.

6. Retention of title

6.1 The supplier reserves his ownership of the delivery object until he has received all payments that are agreed in the delivery contract in full (including payment for possibly owed additional services).

6.2 The supplier shall be entitled to insure the delivery object against theft, burglary as well as fire, water and other damage at the purchaser's cost unless the purchaser has submitted proof that he has obtained such insurance himself.

6.3 The purchaser must neither sell nor pledge the delivery object as security to a third party. In the event of attachment, confiscation or other orders or decrees by third parties, the purchaser must notify the supplier immediately.

6.4 If the purchaser acts against the provisions of the contract, especially in the event of delayed payment, the supplier shall be entitled to reclaim the delivery object subject to prior notice and the purchaser shall be obliged to surrender or return the delivery object.

6.5 Due to the retention of title, the supplier can only request the surrender of the delivery object if he has withdrawn from the contract.

6.6 The filing of insolvency proceedings shall entitle the supplier to withdraw from the contract and to demand the immediate

return of the delivery object.

6.7 If the goods that are subject to retention of title are resold together with other goods that are not the supplier's property, the purchaser's claim against the buyer, which is to the amount of the delivery price that was agreed between the supplier and purchaser, shall be regarded as assigned.

6.8 The processing or modification of goods that are subject to retention of title shall always be carried out by the purchaser on the supplier's behalf. If the goods that are subject to retention of title are processed with other goods that are not the supplier's property, the supplier shall gain co-ownership of the new item in the ratio of the value of the goods that are subject to retention of title and the other processed goods at the time of processing.

6.9 If the supplier's goods are combined with other movable objects to form a new combined item or if they are inseparably mixed and if the other item is to be regarded as the main item, the purchaser shall transfer the proportionate co-ownership to the supplier provided that the purchaser owns the main item.

6.10 The purchaser shall safeguard the property or co-property on the supplier's behalf. The item, which has been created by processing, modification, compounding or mixing, shall be subject to the same provisions as the goods that are subject to retention of title.

7. Warranty, material defects

7.1 The warranty period from the transfer of risk is 12 months, and it starts at the latest from the date when the delivery object is delivered to the purchaser. If an acceptance has been agreed, the warranty period starts with the acceptance according to item 5.3 or the assumed acceptance according to item 5.4. In any case, the warranty period ends at the latest 15 months after the delivery object has left the factory of the supplier or his partner company.

7.2 The delivery objects must be thoroughly inspected immediately after they have been delivered to the purchaser or a third party who has been named by the purchaser. The delivery objects shall be regarded as approved by the purchaser with regard to obvious defects or other defects, which would be detectable in the course of an immediate and thorough inspection, if the supplier does not receive a written notice of defects within seven working days from the delivery. With regard to other defects, the delivery objects shall be regarded as approved by the purchaser if the supplier has not received the notice of defects within seven working days from the time when the defect was detected. However, if the defect would have been detectable by the purchaser in the course of his normal use at an earlier point in time, that earlier point in time shall be binding with regard to the start of the defect notice period. A delivery object, about which the purchaser has complained, shall be returned to the supplier freight paid on the supplier's request. If the defect notice was justified, the supplier shall reimburse the purchaser for the cost of the cheapest shipment method. However, the above shall not apply if the costs have increased because the delivery object is located in another location than the location of its intended use.

7.3 The supplier shall not be responsible for the goods being suitable for a specific use, unless the supplier has expressly agreed to his liability in this respect.

7.4 If the delivered objects have material defects, the supplier shall initially be obliged and entitled to rework the defect or make a replacement delivery at his own discretion, which he shall exercise within a reasonable period of time. If this rework or replacement delivery fails twice because of its impossibility, unreasonableness, rejection by the supplier or inappropriate delay by the supplier, the purchaser shall be entitled to withdraw from the contract or to reduce the purchase price appropriately if the defect is of a material nature.

7.5 A material defect of the object is only given if the costs for the rework amount to at least 10% of the net purchase price and the performance of the object deviates from the agreed performance by more than 15%.

7.6 If the supplier is responsible for the defect, the purchaser shall be entitled to demand compensation subject to the conditions stated under item 8.

7.7 If the defects relate to components by other manufacturers, which the supplier cannot correct for licence reasons or actual reasons, the supplier - at his own discretion - shall claim his warranty entitlements against such manufacturers and their suppliers on the purchaser's account or assign them to the purchaser. For such defects, any warranty entitlements against the supplier shall only exist subject to the other conditions and these general terms and conditions of delivery if the legal enforcement of the above entitlements against the manufacturer and his suppliers in court was unsuccessful or will be futile, for example because of insolvency. The statute of limitation of the respective warranty claims of the purchaser against the supplier shall be put on hold for the duration of the legal proceedings.

7.8 The warranty shall be void if the purchaser modifies the delivery object or has it modified by third parties without the supplier's approval and if the correction of the defect is made impossible or unreasonably difficult because of this. In any case, the purchaser shall bear any additional costs for defect correction, which are incurred because of the modification.

7.9 Any delivery of used objects, which may be agreed with the purchaser in individual cases, shall only be made subject to the exclusion of any warranty for material defects.

8. Supplier's liability, exclusion of liability

8.1 The supplier's liability for compensation for whatever legal reason, especially for inability to deliver, delay, defective or incorrect delivery, breach of contract, breach of obligations during contract negotiations as well as unlawful acts, insofar as the culpability is concerned, shall be limited according to this item 8.

8.2 The supplier shall not be liable for ordinary negligence by his company bodies, legal representatives, employees or any other agents unless material contract obligations are breached. Such material contract obligations include, amongst other things, the obligation to deliver the delivery object on time as well as the delivery object being free from defects, which significantly impair its functioning or suitability for use. They also include protection and caretaking obligations, which are intended to safeguard the body and life of the purchaser's personnel or to protect his property against significant damage.

8.3 If the supplier is liable for compensation in principle according to item 8.2, this liability shall be limited to damage, which the supplier has foreseen as a possible result of any breach of contract at the time when the contract was concluded or which he should have foreseen if he had conducted his affairs with the usual due diligence. Indirect damage and consequential damage, which result from any defect of the delivered object, shall only require compensation if such damage is typically to be expected while the delivery object is used according to its intended use.

8.4 Under no circumstances does indirect and consequential damage, which the purchaser incurs in the form of lost profit, production downtime, additional wages and/or disposal costs for scrap, require any reimbursement.

8.5 In the event of liability for negligence, the supplier's obligation to compensation for damage to property and further financial loss, which results thereof, shall be limited to an amount of EUR 2.0 million for each damage event (according to the current coverage sum of the supplier's product liability insurance or liability insurance). This applies even if the supplier has breached his material contract obligations.

8.6 The above exclusions and limitations of liability shall apply to the same extent to the supplier's company bodies, legal representatives, employees and other agents.

8.7 If the supplier provides technical information or acts as a consultant and this information or consulting is not part of the contractually agreed and owed scope of services, such information and consulting is given free of charge and subject to the exclusion of any liability.

8.8 The purchaser's entitlements to compensation, with the exception of the entitlements that are listed under item 8.9, shall expire by limitation one year after the entitlement has become effective and at the point in time when the purchaser has learned of the circumstances, which give rise to the entitlements, or should have learned of them without acting with gross negligence.

8.9 The above restrictions of this item 8 shall not be applicable to the supplier's liability due to intentional acts or for guaranteed properties and features or due to injury to life, body or health or according to the product liability law. For these, the applicable laws and regulations shall be binding.

9. Choice of law, place of jurisdiction

This agreement shall be subject to German law and exclude the UN Convention on Contracts for the International Sale of Goods (CISG). Both parties agree that the exclusive place of jurisdiction is in the location of the supplier's registered office. The supplier shall be entitled to file a lawsuit against the purchaser with the court of law, which governs the purchaser's registered office, or with any other court of law that may be in charge according to national or international law.

10. Miscellaneous

If any provision of the above partial items or letters is ineffective, the effectiveness of the remaining partial items or letters shall remain unaffected. In this case, the law that is mentioned under item 9 shall apply.