

1. Validity

- a) All agreements and offers between us and our clients are based on the following terms and conditions. Changes as well as deviating conditions of the client will only be included in the contract when we expressly agree to it; the same applies to the exclusion of these terms and conditions.
- b) The terms and conditions also apply to future deliveries, services and offers, also when these are not agreed to again in a separate contract.
- c) The terms and conditions apply exclusively to clients who are contractors in terms of § 14 BGB (German Civil Code), a legal entity under public law and a public law special fund (§ 310 BGB).
- d) Even if these terms and conditions are made available in English, the German text shall prevail.

2. Offer, conclusion of contract

- a) Our offers are without obligation unless the offer states otherwise.
- b) The client's purchase order constitutes a binding offer. We are entitled to accept this offer within 21 days from the purchase order date. Acceptance usually takes place in the form of an order confirmation. Service execution within this period shall also constitute acceptance of the offer.
- c) Drawings, illustrations, descriptions, plans, brochures or similar documents attached to or underlying the offer are non-binding information that does not form part of the contract, unless it is expressly agreed in writing that such documents or specific content of these documents shall be included in the contract.

3. Prices, payment conditions

- a) Our prices are determined – unless certain prices are expressly agreed upon – by our current price lists on the date of delivery.
- b) All listed prices are net prices, which are subject to the respective statutory value-added tax as well as packaging and shipping costs.
- c) In contracts with a delivery time of more than 4 months, we reserve the right to increase or decrease the agreed prices according to changes in costs, particularly for material, labour and other incidental expenses. If the increase is more than 5% of the agreed price, the client has a right to rescind the contract (termination or withdrawal).
- d) Unless our order confirmation, invoice or an agreement states otherwise, the prices apply for immediate payment without discount.
- e) We are entitled to carry out outstanding deliveries or services only against advance payment or the provision of security, if we, after conclusion of the contract, become aware of circumstances that significantly reduce the creditworthiness of a client and which put the payment of our outstanding accounts receivable by the client at risk.

4. Delivery, delivery time and deadline, part delivery, risk transfer, delay in acceptance

- a) Delivery times or delivery dates specified by us are not binding, unless it is agreed that a specific delivery time or delivery date is binding. The beginning of the delivery period or deadline requires the clarification of all technical matters and the timely and proper fulfilment of obligations, particularly in respect to the obligations of cooperation of the client.
- b) We are entitled to provide the contracted services in part deliveries, provided that this is reasonable to the client.
- c) If delivery on call is agreed to, the client must place the request within a reasonable time.
- d) If due to force majeure, acts of government, business closure, strikes or similar circumstances – also at our suppliers – delivery is made impossible or unduly difficult, we are released of the obligation of delivery for the duration of the delay and its consequences. If the resulting delays exceed a period of 6 weeks, both parties have the right to withdraw from the contract in terms of the affected scope of services. In the event of non-delivery or inadequate delivery by our suppliers, we are released from our delivery obligations in whole or in part. This applies only if we have made the necessary arrangements to procure the goods to be supplied by us. In this case we undertake to surrender our claims against the supplier to the client at their request. Further claims are excluded.
- e) Delivery will be made ex-factory at the expense and risk of the client, unless otherwise agreed in a particular case.
- f) The risk of accidental loss and accidental deterioration of the delivery passes to the haulier, carrier or other person for shipment to the client when handed over to any of these.
- g) If the client defaults on acceptance or culpably violates other cooperation obligations, we are entitled to compensation for damages in this respect, including any additional costs (in particular storage costs). Further claims are reserved. Moreover, in deviation of f), in this case the risk of accidental loss or accidental deterioration of the delivery is passed onto the client at the time that he defaults on acceptance.

5. Liability for defects/warranty

- a) The warranty period is one year as from delivery, unless longer warranty period is agreed to in a particular case.
- b) The warranty rights of the client presume that he has met his notification duties and responsibilities in accordance with § 377 HGB (German Commercial Code).
- c) In case of material defects of the delivered goods, we are obliged and entitled first to repair or replace the defective goods at our discretion within a reasonable time. In case of failure, i.e. of impossibility or unreasonableness, refusal or undue delay in repair or replacement, the client may withdraw from the contract or reduce the agreed price.
- d) If a defect is our fault, the client may request compensation in terms of specific conditions mentioned in No. 6 below.
- e) In case a product or components from other manufacturers are defective, which we cannot rectify due to licensing or factual reasons, we will at our discretion lodge our warranty claims against the manufacturers and suppliers on behalf of and for the account of the client or transfer these claims to the client. Warranty claims against us in case of such defects in terms of other conditions and subject to these terms and conditions shall exist only when the judicial enforcement of the aforementioned claims against the manufacturers and suppliers has been unsuccessful or, for example due to insolvency, is hopeless. The statute of limitations of the respective warranty claims of the client with respect to us is suspended for the duration of the legal dispute.
- f) The warranty is void if the client modifies the delivery item without our consent or has it modified by a third party making it impossible or unreasonable to eliminate the defect. In any case, the client has to bear the additional costs resulting from the modification or elimination of the defect.
- g) Warranty claims are excluded in the following cases:
 - For a deterioration of parts that are subject to natural wear and tear, unless the deterioration is caused by something other than wear and tear.
 - If operating and maintenance instructions are not complied with.
 - When unqualified persons do repairs or make modifications.
- h) Used goods forming part of a delivery as agreed with the client in a particular case come without any warranty.
- i) Special statutory provisions on final deliveries of products to a customer shall in any case remain unaffected (recourse against supplier under §§ 478, 479 BGB (German Civil Code)).

6. Liability for damages due to negligence

- a) Our liability for damages, on whatever legal grounds, in particular resulting from impossibility, delay, defective or incorrect goods delivered, breach of contract, breach of duties during contract negotiations and unlawful acts, insofar as it concerns matters of negligence, is limited in accordance with this clause No. 6.
- b) We are not liable in the following cases:
 - In cases of ordinary negligence by our management, legal representatives, employees or other agents.
 - In cases of gross negligence of our non-executive employees or other agents,if it is not a breach of fundamental contractual duties. Essential contractual obligations include the obligation to deliver and install in a timely fashion goods that are free of defects, advisory, protective, custodial and duty of care obligations that shall enable the client to use the item delivered in the contractually prescribed manner or whose purpose is to protect life and limb of the client's personnel or third parties or the client's property from substantial damage.
- c) If we are liable pursuant to b) for compensation on its merits, this liability shall be limited to damages that we foresaw when concluding the agreement as a possible consequence of a breach of contract with due consideration to the circumstances known to us or which we should have foreseen when taking the usual care. Indirect damage and consequential damage resulting from defects in the item delivered can only be replaced or reimbursed if such damage is to be typically expected in items of this nature when used as intended.
- d) In case of liability for ordinary negligence, our liability for personal injury or damage shall be limited to an amount corresponding to the current insured sum covered by our liability insurance, even if it concerns a breach of fundamental contractual duties.
- e) The above exclusions and limitations of liability apply to the same extent to the benefit of our management, legal representatives, employees and other agents.
- f) If we give technical information or advice and such information or advice does not form part of the contractually agreed scope of services due by us, this is done free of charge and without any liability.
- g) The restrictions in this clause No. 6 do not apply to our liability for deliberate actions, inherent guaranteed features, death, physical injury or harm to human health or liability pursuant to the German Product Liability Act.

7. Retention of title

- a) We retain the right of ownership to the goods or items delivered until all payments from the supply contract have been received (goods subject to retention of title). Should the client engage in conduct which is in breach of the contract, in particular a default in payment, we shall be entitled to withdraw the goods. A withdrawal of goods by us shall not constitute a rescission of contract unless this has been expressly stated by us in writing. A seizure of goods by us shall always constitute a rescission of contract. After withdrawal of the goods subject to retention of title we shall be authorised to sell it and to offset the proceeds from such a sale against the client's liabilities, less reasonable administrative costs.
- b) The client shall be obliged to handle the goods with care; in particular he shall be obliged to adequately insure them against damage caused by fire, water and theft up to their replacement value and at his own cost.
- c) In the case of seizure or other actions on the goods subject to retention of title by third parties, the client shall be obliged to inform us immediately in writing so that we can institute proceedings in accordance with section 771 of the German Code of Civil Procedure (ZPO). Should the third party not be in a position to reimburse us the judicial and extrajudicial costs of an action in accordance with section 771 of the ZPO, the client shall be liable for the loss incurred by us.
- d) The client shall be entitled to resell the goods subject to retention of title in an orderly business transaction; however, he hereby assigns to us all claims in the sum of the final invoice amount (including value-added tax) of our claim which accrue from the reselling to his purchaser or third party, independent of whether or not the goods subject to retention of title are resold after any further processing or without further processing. The client shall retain the right of recovery of the debt even after he has assigned the claim to us. Our right to collect the debt ourselves remains unaffected by this. However, we undertake not to collect the claim as long as the client fulfils his payment obligations arising from the collected profits, is not in default of payment and, in particular, application has not been made to open insolvency or composition proceedings and cessation of payments has not taken effect. If this is the case, we can demand that the client informs us of the assigned accounts receivable and the debtors, that he provides us with all the information and relevant documents necessary to assert our rights and that he informs the debtors (third parties) of the assignment.
- e) The processing of or alteration to goods subject to retention of title shall always be carried out for us by the client. If these goods are processed with other goods that do not belong to us, then we shall acquire partial title to the new object in proportion to the value of the purchased object (final invoice amount including value-added tax) in comparison to the other objects processed at the time of processing. As for the rest, the same shall apply to the object produced by processing as to the goods subject to retention of title.
- f) If the goods subject to retention of title are inseparably mixed or combined with other goods not belonging to us, we shall acquire partial title to the new object in the ratio that the value of the goods belonging to us (final invoice amount including value-added tax) bears to the value of all of the mixed or combined goods at the time. If the mixing or combination takes place in such a manner that the client's object must be considered the main object, it is agreed that the client assigns us proportionate partial title. The client shall hold the resulting sole title or partial title in safe custody for us.
- g) We undertake to release the securities due to us at the request of the client, insofar as the realisable value of the same exceed the guaranteed claims by more than 10%; the selection of the securities to be released shall be incumbent on us.

8. Property rights

The client must uphold the property rights related to the delivered items, especially copyright, trademark, design rights and patent rights, regardless of whether they accrue to us or our suppliers or manufacturers. Our products are our intellectual property. The client is not allowed to recreate or copy them, to secure any property rights or otherwise exploit them in any way.

9. Place of performance, place of jurisdiction and applicable law

- a) Place of performance for both sides is our place of business in Baunach. The exclusive place of jurisdiction for all disputes arising from the contractual relationship is also Baunach, if the client is a contractor.
- b) The contracts concluded between us and the client are subject to the laws of the Federal Republic of Germany to the exclusion of the Convention on the International Sale of Goods (CISG).

In case of discrepancies, the German version of the terms and conditions shall take precedence.