

# General Terms and Conditions of Delivery and Payment

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## I. General terms

1. All deliveries and services, as well as any other separate contractual agreements, are based on these Terms and Conditions. Any divergent purchase terms of the Buyer shall not be deemed a part of the contract merely through acceptance of the order. Unless otherwise agreed, a contract comes into existence once the Supplier has confirmed the order in writing.
2. The Supplier reserves its rights to the ownership and copyright of samples, cost estimates, drawings, technical documentation and similar material, tangible and intangible information also in electronic form. If one Party receives drawings, technical documentation or other technical information, this material shall not be used for any purpose other than the purpose for which it was supplied without the prior consent of the other Party. The material may not be used, copied, reproduced, passed on to third parties or disclosed for any other purpose without the consent of the submitting party. Furthermore, the Parties hereby undertake to make documents marked as confidential accessible to third parties only after obtaining the consent of the other Party. Developments, designs, constructions and tools remain the exclusive property of the Supplier, who shall have the sole right of disposition. This applies also in cases in which the client paid a share of the costs. The Supplier may not recognize any limitations in the utilization of equipment designed and developed by us, or of tools produced by us.
3. In the case of products for military authorities and the aerospace industry, the acceptance of an order by the Supplier shall become effective only on submission of documentation of the ultimate user's exemption from liability.
4. Final inspection tests agreed in the contract shall be carried out, in the absence of any agreements to the contrary, at the production site during normal working hours. If the contract does not contain any provisions relating to technical details, the existing standard practice of the industrial sector concerned in the country of production shall be authoritative for such tests.
5. The Supplier must notify the Buyer of the date for the final inspection tests in good time so that the Buyer can be represented at the tests. If the Buyer is not represented, it shall receive a test report, the accuracy of which the Buyer is not permitted to contest.
6. If the final tests show the object to be contrary to the terms of the contract, the Supplier is obliged to remedy any and all defects so that the object concerned complies with contractual stipulations. The Buyer may only demand a repetition of the remedy process in the event of serious defects.
7. The Supplier shall bear all costs for final inspection tests carried out at the production site in accordance with the offer. The Buyer must bear all costs beyond that in connection with the final inspection tests, as well as any travel and living expenses incurred for its representative.

## II. Price and payment

1. In the absence of any agreement to the contrary, prices apply ex works, including loading at the plant, but shall exclude packing, shipping, insurance and unloading. The currently applicable amount of VAT (sales tax) is added to all prices.
2. Invoices are issued at the prices applicable on the date of delivery, unless especially agreed otherwise. If, in the case of call orders or deadline orders, delivery is taken only of a portion of the agreed quantity within the agreed time limit, the Supplier is entitled, at its choice, to either charge the currently valid price for the quantity of goods delivered, or to deliver and charge for the quantity not yet demanded.
3. Installation, assembly and initial operation are not included in the price and can be carried out upon request for a fee.
4. Irrespective of the means of payment used, payment shall only be deemed effected once the full invoice amount has been irrevocably credited to the Supplier's account.
5. In the absence of any specific agreement, payments must be made within 30 days of the invoice date.
6. In case of payment arrears, the Supplier is entitled to charge interest. The amount of interest shall be based on the cost of an unsecured current account overdraft at the Supplier's bank.
7. In case of delayed payment, the Supplier may after notifying the Buyer in writing, suspend performance of its own obligations until payments are received. If the Buyer is in arrears with payments due by more than three months, the Supplier may withdraw from the contract by informing the Buyer in writing and may claim compensation from the Buyer for damage incurred. The compensation for damage may not exceed the agreed purchase price.
8. For orders exceeding an order value of € 5,000.00, the Supplier may demand a down payment.
9. The Buyer is only entitled to withhold payments or to offset them against counterclaims to the extent that its counterclaims are uncontested or have become legally effective.

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**III. Period of delivery, delay in delivery**

1. The term of delivery is determined by the agreements concluded by the contractual Parties. Compliance with the term of delivery by the Supplier requires that all commercial and technical issues have been clarified between the contracting Parties, and that the Buyer has fulfilled all obligations required of it, such as obtaining the required official permits and authorizations, or effecting a down payment. If this is not the case, the delivery period shall be extended accordingly. This shall not apply if the Supplier is responsible for the delay.
2. Compliance with the delivery term is subject to the Supplier receiving correct and prompt delivery itself. The Supplier shall give notification of any impending delays as soon as possible.
3. There is compliance with the delivery term if the delivery item has left the Supplier's plant by the expiry of the term, or if notification has been given that the order is ready for shipment. If a final inspection is to be conducted, the date of the final inspection shall be decisive, alternatively notification of readiness to conduct the final inspection, except in cases where there is a justified refusal of acceptance.
4. If shipping or final inspection of the delivery item is delayed for reasons for which the Buyer is responsible, the Buyer shall be charged the costs incurred for the delay, commencing one month following the notification of readiness to ship or to conduct the final inspection.
5. If failure to meet the deadline for delivery is due to force majeure, labour disputes or other events beyond the control of the Supplier, the deadline shall be extended accordingly. The Supplier shall notify the Buyer as soon as possible of the beginning and end of such circumstances.
6. The buyer assumes the obligation to dispose the delivered goods at the end of usage at his own costs and according to the legal regulations.

**IV. Passing of risk**

1. Risk passes to the Buyer as soon as the goods have left the Supplier's plant or warehouse, even if partial deliveries are made or if the Supplier has also assumed other obligations, such as shipping costs or delivery and installation. If final inspection is to be carried out, such inspection shall be decisive for the passing of risk. Final inspection must be effected immediately on the date of the final inspection, alternatively after the Supplier has given notification of its readiness to hold the final inspection. The Buyer may not refuse acceptance if an insubstantial defect exists.
2. If shipment is delayed or fails to be made, or if the final inspection is not held due to circumstances not attributable to the Supplier, the risk passes to the Buyer as of the date of notification of shipment, or of readiness to hold inspection. The Supplier undertakes to take out such insurance as the Buyer demands; the Buyer shall bear the cost of such insurance.
3. Partial deliveries are permitted if the Buyer can reasonably be expected to accept them.

**V. Reservation of title, extended reservation of title and a clause on processing**

1. Title is reserved to all deliveries made. Title passes to the Buyer only once it has settled all accounts payable under the business relationship. This also applies if the purchase price for specific deliveries of goods named by the Buyer has been paid. If there is a current account, the extended reservation of title applies, where appropriate, as security for the balance claim of the Supplier. If bills or cheques have been presented as payment, payment is deemed effected only once these have been honoured. To the extent to which the value of all security rights, to which the Supplier is entitled, exceed the amount of all secured claims by more than 20%, the Supplier shall, at the Buyer's request, release a corresponding portion of the security rights.
2. Any processing by the Buyer is carried out excluding an acquisition of ownership pursuant to section 950 of the German Civil Code without this creating an obligation for the Supplier. Processed goods serve as security at the amount of the invoice value of the processed reserved goods.
3. If the Buyer processes the goods with other goods not belonging to the Supplier, the Supplier is entitled to ownership of the new thing in the same proportion which the invoice value of the processed reserved goods has to the initial value of the other processed goods. In other respects, the same applies to the new thing as it does to the reserved goods.

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4. In the event of the sale of the reserved goods, the claims arising from the sale for the Buyer are hereby assigned to the Supplier now. The Supplier accepts this assignment. The assignment shall also apply if the reserved goods were processed by the Buyer in advance or if they were sold to several other buyers. The assigned claim serves as security for the Supplier at the amount of the invoice value of the goods sold in each case. If the reserved goods are resold by the Buyer in conjunction with other goods not belonging to the Supplier, whether this be without processing or after processing, the assignment applies only at the value of the goods concerned based on the Supplier's invoice.

5. For the period in which title is reserved, pledging or transfer of ownership by way of security on the part of the Buyer shall be forbidden, and resale is only allowed to resellers in their normal business operations and only on condition that the reseller receives payment from its customers or stipulates the reservation that ownership shall pass to the customer only once the latter has fulfilled its payment obligations.

6. In the case of pledging, confiscation or any other provisions or intervention by third parties, the Buyer must immediately notify the Supplier.

7. If the Buyer violates its duties, in particular in case of payment arrears, the Supplier is entitled to withdraw from the contract and take back the goods if a reasonable time limit set for the Buyer to make payment has passed without effect. The statutory regulations regarding the dispensability of fixing a deadline remain unaffected. The Buyer is obliged to surrender the reserved goods.

8. The Supplier is entitled to insure - at the Buyer's expense - the delivery item against theft, breakage, fire, water damage and other damage, unless the Buyer has provably taken out such insurance.

**VI. Warranty claims**

For defects in quality and title relating to the item supplied, the Supplier shall provide warranty as follows, with further claims expressly barred and subject to the provisions of clause VII:

Defects of quality

1. The Supplier shall, at its choice and free of charge, either remedy defects or replace with a flawless item all those parts which turn out to be defective as a result of circumstances that occurred prior to the transfer of risk. The Supplier must be informed in writing immediately if such defects are detected. Parts replaced become the property of the Supplier.

2. Warranty claims are not created if there is only a minor divergence from the agreed quality or nature of the goods, where usability is only insignificantly impaired, in case of normal wear-and-tear or damage that arises after the passing of risk as a result of improper or negligent handling, excessive strain, or due to special external influences which according to the contract are not presupposed, and also in the case of non-reproducible software errors.

3. In order to carry out the remedy of defects and all improvements and substitute deliveries which the Supplier considers necessary, the Buyer must, after agreeing upon this with the Supplier, provide the latter with the required time and opportunity to carry out the work; the Supplier shall otherwise be exempted from liability for consequences stemming from this.

4. The Supplier bears the costs incurred due to the subsequent improvement or replacement delivery, provided that the complaint proves to be justified, and also the costs of the replacement item, including reshipment to the Buyer. The Buyer pays the costs for installation and dismantlement.

5. The Buyer is entitled, in the event of defect of quality, to withdraw from the contract within the scope of statutory provisions if the Supplier - taking into account any statutory exceptions - fails to remedy a defect or deliver a replacement within a reasonable period of time laid down for such action. If there is only a minor defect, the Buyer shall only be entitled to a reduction in the contract price. Otherwise, the right to a reduction in the contract price is expressly barred. The Buyer may only withhold payments if an undoubtedly justified complaint has been lodged regarding defect in quality.

6. The Supplier shall not be held liable for every loss or damage caused by the defect, such as production stoppage, lost profits, loss of use, contract losses or any other consequential damage and other indirect loss or damage. Further claims are regulated by clause VII.2 of these Terms.

7. No warranty shall be assumed in the following cases, in particular: inappropriate or improper use; defective assembly or initial operation by the Buyer or by third parties; natural wear-and-tear; defective or negligent handling; improper maintenance; inappropriate production equipment; chemical, electromagnetic or electric influences, unless the Supplier is responsible for them.

8. The Supplier shall not be held liable for the consequences of any improvements made improperly by the Buyer or a third party. The same shall apply to any alterations made to the delivery item without the Supplier's prior consent. Defects of title

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9. If use of the delivery item results in infringement of industrial property rights or copyright infringement within the national jurisdiction, the Supplier shall, at its own expense and as a matter of principle, obtain for the Buyer the right to continued utilization of the object in question, or the Supplier shall modify the object in question in a manner that can reasonably be accepted by the Buyer and which will also rule out any further infringement of industrial property rights. If this is not feasible within reasonable economic means, or possible within a reasonable period of time, the Buyer is entitled to withdraw from the contract. Under the same conditions, as stated above, the Supplier shall also be entitled to withdraw from the contract.

10. The obligations on the part of the Supplier, as cited under clause VI.9. are final, subject to clause VII.2. in the event of infringement of industrial property rights or copyright infringement.

They only apply if:

- the Buyer immediately informs the Supplier that infringement of industrial property rights or copyright infringement has been claimed,
- the Buyer gives the Supplier a reasonable degree of support in averting the claims asserted, or facilitates the realization by the Supplier of modification measures pursuant to clause VI.9,
- the Supplier retains the right to all defensive measures, including out-of-court settlements,
- the defect of title does not arise from the Buyer's instruction, and
- the infringement of the right was not caused by the fact that the Buyer modified the delivery item without authorisation, or used it in a manner not in conformity with the contract.

**VII. Liability**

1. Claims for damages and claims for compensation of expenses on the part of the Buyer (hereinafter: claims for damages) for whatever legal reason, shall be ruled out, in particular if such claims stem from violation of duties based on the contractual relationship, or are due to illegal actions.

2. This does not apply if liability is mandatory, as under the Product Liability Act, in case of deliberate intent, gross negligence, in case of death or injury or an impairment to health, or due to violation of essential contractual obligations. However, claims for damages based on a violation of essential contractual obligations are limited to contractually typical, foreseeable damage, except in cases of deliberate intent or gross negligence, or where there is liability in case of death or injury or an impairment to health. The provisions above do not entail any change to the burden of proof to the detriment of the Buyer.

3. If the Buyer under this clause VII is entitled to claims for damages, these shall become statute-barred on expiry of the valid statutory period of limitation for claims based on defects of quality, as laid down in clause VIII. In the case of claims for damages under the Product Liability Act, the statutory provisions on limitation shall apply. Any further claims are expressly barred.

**VIII. Statute of limitations**

All claims by the Buyer, for whatever legal reasons, shall become statute-barred after 12 months. Statutory periods apply to claims for damages under clause VII.2.

**IX. Software use**

1. If software is included with delivery, the Buyer shall be granted a non-exclusive right to use the delivered software, including the documentation; utilization is permitted on the delivered item for which it is intended. Use of the software on more than one system is prohibited.

2. The Buyer may only copy, revise, translate the software, or convert from the object code to the source code to the extent permitted by law (sections 69a et seq. of the German Copyright Act). The Buyer undertakes not to remove the manufacturer's details - in particular copyright notices - or to change them without the Supplier's prior explicit consent.

3. All other rights to the software and the documentation, including copies, shall remain with the Supplier or with the software supplier. The granting of sublicenses is not allowed.

**X. Applicable law, legal venue**

1. The laws of the Federal Republic of Germany governing legal relationships between parties within the national territory apply exclusively to all legal relationships between the Supplier and the Buyer. The application of the international UN Sales Convention (CISG = United Nations Convention on Contracts for the International Sale of Goods) is expressly barred.

2. The legal venue shall be the court that is locally competent for the Supplier's registered office. The Supplier's registered office is in Maisach, Germany. However, the Supplier is entitled to file an action against the Buyer at the location of the Buyer's headquarters.

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**XI. Export regulations**

1. The customer is advised that the export of the delivered products, information, software and documentation (also described collectively as the products) may, under the various relevant export provisions of the Federal Republic of Germany, the European Union and/or the United States of America – e.g. depending on their nature or their intended purposes or final destination – be subject to an approval obligation or may be prohibited and that violations of this requirement may be punished under criminal law. The customer is therefore responsible for strictly complying with all relevant export provisions that apply nationally or internationally and for obtaining any approvals that may be necessary.

Similarly, the customer undertakes to provide, at the request of the contractor, all the necessary information required for compliance with the export regulations. If the above obligations are violated by the customer, he shall, at first request, hold the contractor free from all claims and reimburse all damages which the contractor's license issuer or supplier, third parties or state and/or international authorities or organisations claim from the contractor.

The contractor will inform the customer, if required, of the relevant contact points for obtaining further information.

2. For supplies to sensitive countries, even with confirmed delivery dates, we reserve shipments until after we have the compliance of the relevant government agencies