

## I. General

The following delivery and payment terms shall apply to the entire business relationship with our customers. The purchaser shall acknowledge these as binding on him for this contract and also for all future business. Any other agreement requires our written confirmation. The buyer will not enforce his own conditions of purchase. Neither shall they become part of the contract through our silence or our delivery.

## II. Offers and Delivery

1. Our offers shall be subject to change.
2. If we are prevented from the timely performance of the contract through problems related to procurement, manufacturing or delivery - on our or our suppliers' premises - e.g. through an energy shortage, traffic disturbances, strike, lockout, the delivery period shall be extended accordingly. The purchaser may only withdraw from the contract if he sets us a reasonable grace period in writing upon expiry of the extended period. The withdrawal must be made in writing if we cannot deliver within the period of grace.
3. Should the contract performance become impossible as a whole or in parts for the reasons referred to in paragraph 2, we shall be released from our obligation to deliver.
4. We will notify the purchaser immediately of the obstruction referred to in paragraph 2 and the impossibility referred to in paragraph 3.
5. Any damage claims by the purchaser due to delayed delivery and instead of performance shall also be excluded after the expiry of any deadline set for delivery in accordance with Section IX.
6. If the purchaser is delayed with the payment of a previous delivery, we are entitled to withhold delivery, without being obliged to compensate any damage incurred.
7. We are entitled to make partial deliveries and partial calculations.

## III. Prices

1. The calculation shall be performed, unless a special agreement has been concluded, on the net prices plus VAT at the statutory rate applicable on the day of delivery. Any arrangements about bonuses and other benefits shall lose their effectiveness in the case of cessation of payment of the purchaser or the unsuccessful enforcement against him.
2. In the event of an unexpected increase of the raw material costs during the production period we shall reserve the right to re-negotiate the final price of the goods prior to delivery.

## IV. Payment

1. Our invoices are payable within 30 days from receipt of invoice. However, we can also render the delivery dependent on prompt payment.
2. We reserve the right to decide on the acceptance of bills of exchange and checks from case to case. Acceptance is for processing only. Credit will be subject to chargeback in the event of non-encashment. For bills of exchange, we calculate the usual bank discount and collection charges. We do not accept any guarantee for timely collection or timely protest.
3. In the event that the purchaser defaults on payment or does not honor a bill of exchange or a check according to schedule or if a significant deterioration occurs with regard to his pecuniary circumstances through which our claim is endangered, we may render the entire claim - even if bills of exchange or checks are provided - due immediately.
4. Only persons with our written authority to collect using our pre-printed receipts shall be entitled to accepting payments.
5. The purchaser may assert a lien only if it is based on the same contractual relationship. He is only entitled to set-off if we have recognized the counter-claim or it has been legally established. We may at any time set-off our claims against claims of the purchaser against other affiliates.

## V. Retention of Title

1. The goods shall remain our property until payment of all future claims arising from our business relationship with the purchaser. This also includes conditional claims. This applies in full to any created design sketches and tools for the production of the goods.
2. In case of a connection, blending or processing of the reserved goods within the meaning of § 947, 948 and 950 German Civil Code with other items not belonging to us, we shall be entitled to a co-ownership of the new goods. The co-ownership shall be determined by the ratio of the invoice value including sales tax of the goods delivered by us and the remaining value of the goods that are connected or processed with such. The purchaser shall store the goods free of charge for us.
3. The purchaser may sell the reserved goods in the ordinary course of business, against immediate payment or under retention of title; he shall not be entitled to other dispositions; especially regarding the transfer of security and pledge.
4. The purchaser hereby already assigns to us his claims arising from the resale of the reserved goods (resale price including sales tax) - including the corresponding claims from bills of exchange with all ancillary rights. The same applies to his claims from the resale of goods to which we have co-ownership under paragraph 2. In this event, the cession shall be extended to that part of the resale price of the goods in question, including sales tax, which corresponds to our co-ownership in accordance with paragraph 2. In the event that the reserved goods are sold by the purchaser together with other goods not belonging to us at

a total price, the assignment shall only apply to the amount with which we charged the purchaser for the reserved goods including sales tax.

5. In the event that the claims of the purchaser from the resale are included in a current account, the purchaser shall hereby also already assign his claim from the current account towards his customers. The cession shall apply to the resale price of the reserved goods including VAT.
6. The buyer is entitled to collect the claims assigned to us until revocation. A cession or pledge of these claims is allowed only with our written consent. Should the purchaser be in default or not meet his obligations resulting from the agreement of the retention of title, the purchaser shall, at our request, notify the debtors of the assignment in writing, providing us with all information and submitting and sending to us any documents and transferring any bills of exchange. For this purpose the purchaser shall grant to us, if necessary, access to the relevant documents.
7. In the presence of the circumstances referred to in paragraph 6 sentence 3, the purchaser shall grant us access to the reserved goods still in his possession, send to us a detailed list of the goods, separate the goods and return them to us after a successful withdrawal.
8. If the value of this security exceeds the amount of our claim by more than 20%, we shall release the security at our discretion, at the request of the purchaser.
9. The purchaser must inform us of any third-party access to the reserved goods or the claims assigned to us immediately in writing and support us in every way with the intervention.
10. The cost of complying with said obligations to cooperation in the prosecution of all rights arising from the retention of title and of any expenditures due to the maintenance and storage of the goods shall be borne by the purchaser.
11. In the case of an application for opening the insolvency proceedings over the assets of the purchaser, we shall have the right to request withdrawal from the contract by written declaration, as far as our claims are not yet settled.

## VI. Deterioration of customer's assets

1. If, after conclusion of the contract, we gain knowledge of circumstances which cast doubt on the creditworthiness of the buyer, we shall be entitled to demand full payment or the provision of relevant security before proceeding to any further performance of the work and/or to withdraw from the contract after granting a reasonable period of time for the fulfillment of arrears or security provisions. Facts or circumstances which justify doubts about the solvency of the purchaser are in particular long-term seizures or other compulsory enforcement measures as well as filing for insolvency.

## VII. Packaging and Shipment

1. Packaging shall be performed according to professional and commercial aspects. Any special packaging and packaging replacement, e.g. for repaired goods delivered unpacked, shall be charged at cost price. For certain transportation-sensitive products, special packaging shall be invoiced and credited fully or partially upon immediate freight-free return.
2. Unless otherwise agreed, all deliveries shall be performed ex works.
3. Insofar as the purchaser requires shipment, we reserve the right to invoice him the additional costs incurred to us.

## VIII. Passing of Risk

1. The risk shall pass onto the purchaser as soon as the goods leave the factory or warehouse. All shipments, including any returns, shall be at the risk of the purchaser.

## IX. Defects

We shall be liable for defects as follows:

1. Any of the goods or services shall be replaced free of charge, re-delivered or re-provided which within the limitation period show a defect, provided that the cause already existed at the time of transfer of risk.
2. Any claims for defects shall lapse after 12 months. This shall not apply if the law pursuant to § 438 paragraph 1 No. 2 (buildings and building materials), 479, paragraph 1 (right of recourse) and 634a paragraph 1 No. 2 (defects of a building) German Civil Code prescribes longer periods.
3. The purchaser shall notify us immediately in writing about any defects.
4. For notices of defect, payments of the purchaser must be retained to an amount which is in adequate proportion to the defects occurred. The purchaser may withhold payments only if a notice of defect is asserted about whose justification there can be no doubt. If the notice of defect is unjustified, we are entitled to demand compensation for the expenses incurred by the purchaser.
5. First, we shall be granted an opportunity to subsequent performance within a reasonable period of time.
6. If the subsequent performance fails, the purchaser may - notwithstanding any claims for damages pursuant to Section IX - withdraw from the contract or reduce the remuneration.
7. Defect claims shall not include minor deviations from the agreed quality, in case of only minor impairment of usefulness, natural wear and tear or damage arising after the transfer of risk from faulty or negligent handling, excessive strain, unsuitable equipment or due to special external influences which are not provided for in the contract, or from non-reproducible software errors. If any improper modifications or repair works are performed by the purchaser or third parties, there shall be no defect claims for these and the consequences arising from these.

8. Any claims of the purchaser due to the expenditures required for the purpose of supplementary performance, in particular transport, travel, labor and material costs, shall be excluded as far as expenditures increase because the goods were subsequently taken to a place other than the premises of the purchaser, unless the transfer is in accordance with its intended use.

9. Statutory rights of recourse of the purchaser against us shall only exist insofar that the purchaser has not concluded with his customers any agreements beyond the statutory defect claims. Furthermore, paragraph 8 shall apply mutatis mutandis to the scope of the right of recourse of the purchaser against us.

10. For damage claims, moreover, Section IX (Liability) shall apply. Any more extensive claims or different from the ones regulated in this Section VIII of the purchaser against us due to a defect shall be excluded.

#### **X. Liability**

1. Damage claims of the purchaser, regardless of the legal reason, including infringement of duties arising from the contractual obligation and tort, shall be excluded.

2. This shall not apply if liability is mandatory, e.g. under the German Product Liability Act, in case of intent, gross negligence, injury of life, body or health, or breach of essential contractual obligations. The compensation for the breach of fundamental contractual obligations shall be limited to the contract-typical, foreseeable damage if there is no willful misconduct or gross negligence or no liability for injury to life, body or health. An amendment to the burden of proof to the detriment of the purchaser shall not be connected to the above regulations.

3. Unless the purchaser is entitled to any damage claims under this Section IX, these shall expire with the expiry of the limitation period applicable to defect claims pursuant to Section VIII, paragraph 2. For damage claims under the Product Liability Act, the statute of limitations shall apply.

#### **XI. Product Labelling, Protective Rights**

1. A variation to our products, a removal of our device numbers and nameplates, and of any special stamp which are regarded as marks of origin of the purchaser or a third party or may give the impression that it is a special product, are not permitted.

2. We shall assume the liability that the goods sold as such in Germany are free from protective third-party rights. Should third parties assert any legitimate property rights claims, we shall at our discretion and at our expense either obtain a license for the purchaser or replace the goods sold by property-right free goods or take the goods back to refund the purchase price. For any claims beyond this, we shall be liable in accordance with Section IX. Our aforementioned obligations shall only exist if the purchaser notifies us about the claim asserted by the third party in writing, not acknowledging an infringement and reserving us any protective measures and settlement negotiations. We accept no liability for the fact that the application of the sold goods does not interfere with protective rights of third parties.

#### **XII. Foreign Business**

For the contractual relations, German law shall apply under the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

#### **XIII. Effectiveness**

If any of these conditions - for whatever reason - is not applicable, this shall not affect the validity of the remaining conditions.

#### **XIV. Place of Jurisdiction**

Place of jurisdiction for all disputes arising in connection with the contractual relationship shall be Wetzlar, if the purchaser is a businessman.