

## General Terms and Conditions of Sale of Haller-Jauch GmbH

### 1 General, area of application

- (1) These General Terms and Conditions of Sale ("GTCS") shall apply to all our business relations with our customers. The GTCS shall apply only if the customer is an entrepreneur (*Unternehmer*, Sec. 14 BGB [German Civil Code]), a legal entity under public law, or a special fund under public law.
- (2) Including but not limited to, these GTCS shall apply to contracts for the sale and/or delivery of movable property (hereinafter also referred to as "Goods") without prejudice to whether we produce the goods ourselves or purchase them from sub-suppliers (Sec. 433, 651 BGB). These GTCS shall apply to all similar contracts for the sale and/or delivery of movable property concluded with the same customer in the future, in the version that is valid on the date of the customer's purchase order, without the requirement to make reference to them in each individual case.
- (3) Our GTCS shall apply exclusively. Any differing, contradictory, or additional general terms and conditions of the customer will only become part of the contract if, and only to such extent that, we have expressly consented to their application. This consent requirement shall apply in any event, even if, for example, we execute a delivery to a customer without any reservations despite our knowledge of the customer's GTC.
- (4) Any individual agreements with the customer entered on a case-by-case basis (including collateral agreements and amendments) shall take priority over these GTCS in any event. Subject to presentation of evidence to the contrary, a written contract or our written confirmation shall be deemed proof of the contents of such agreements.
- (5) Legally relevant declarations and notifications of the customer with respect to the contract (for example, fixing of deadline, notification of defects, withdrawal, or reduction in price) shall be addressed to us in writing and signed or in text form (for example, by letter, E-mail, or fax). Statutory requirements as to the form and other pieces of evidence, in particular in the event of doubts regarding the legitimation of the declarant, shall remain unaffected.
- (6) References to the application of statutory provisions shall be deemed to be for clarification only. Even without such a clarification, the statutory provisions shall apply to the extent that they are not directly amended or expressly excluded in these GTCS.

### 2 Conclusion of contract

- (1) Our offers and quotations are subject to change and non-binding. This also applies if we have supplied catalogues, technical documentation (for example, drawings, plans, calculations, references to DIN standards), other product descriptions or documents - also in electronic form - to the customer with respect to which we reserve rights of title and copyrights.
- (2) A purchase order for the Goods issued by a customer shall be deemed a binding offer for a contract. Unless provided otherwise in the purchase order, we shall be entitled to accept the offer within 4 weeks from the date it is received by us.
- (3) Acceptance can either be declared in writing and signed or in text form (for example, by an order acknowledgement) or by the start of production of sample parts in consultation with the customer.
- (4) In the event that special tools are required to execute the customer's purchase order, we shall remain the owners of the tools even if the customer takes a share in the tool costs and irrespective of whether we produce the tools ourselves or have them produced by third parties. A (proportionate) transfer of the title to the customer shall take place only if this was expressly agreed in writing.

### 3 Delivery periods

- (1) Delivery periods are agreed individually or stated by us at acceptance of the order. If this is not the case, the delivery period for the production of samples shall be approx. 6 working weeks and approx. 8 working weeks in the event of serial production - the periods to start with conclusion of the contracts.
- (2) To the extent that we are unable to meet any binding delivery periods for reasons beyond our control (non-availability of performance), we shall inform the customer about this immediately and state the expected new delivery time at the same time. If performance continues to be unavailable during the new delivery period, we shall be entitled to withdraw from the contract in full or in part; and any consideration that we have already received from the customer shall be returned immediately. An event of non-availability in the meaning of this clause shall be, including but not limited to, the delayed supply by a sub-supplier, if we closed a congruent hedging transaction, if it is neither our nor our sub-supplier's fault, or if we are not under a procurement obligation in the individual case.
- (3) The occurrence of an event of default shall be subject to the statutory provisions. In each case, however, a warning by the customer shall be required. Delivery shall be subject to the timely and proper fulfilment of the customer's obligations in any case. We reserve the defence of non-performance.
- (4) In the event that the customer supplies raw or other materials required for the production of the Goods, they shall be obligated to supply and deliver those in a timely manner and in a proper condition at their own risk and expense, with a quantity premium of 5%, unless expressly provided otherwise in writing. If our non-compliance with a delivery period is due to the delayed or improper supply on the part of the customer, the delivery period to be met by us shall be extended accordingly, that is by the delay caused by the customer. In the event that a binding date was agreed for the supply of raw or other materials, we reserve the right to assert claims based on any additional costs incurred by the delay, including but not limited to costs due to production interruptions.
- (5) We reserve the right to deliver more or less than the ordered quantities if this is due to the production processes and the differences are customary in the industry. Deviations in the amount of +/- 10% are deemed customary in this respect. Any deviations, that is excess or short quantities, will be proportionately considered in the invoices issued to the customer.
- (6) The customer's rights according to No. 8 of these GTCS and our statutory rights, including but not limited to an exclusion of the performance obligation (for example, based on the impossibility or unreasonableness of performance or subsequent performance), shall remain unaffected.

### 4 Delivery, passing of risk, acceptance, delay in acceptance

- (1) Delivery shall be made ex works, which shall also be the place of performance of any subsequent performance. At the request and expense of the customer, the Goods will be shipped to another destination (sale to destination). Unless agreed otherwise, we shall be entitled to determine the type of shipment (including but not limited the carrier, transport route, packaging) in our own discretion.
- (2) The risk of incidental loss or incidental deterioration of the Goods shall pass to the customer upon delivery at the latest. In the event of a sale to destination, however, the risk of incidental loss or incidental deterioration of the Goods, and the risk of delay shall pass to the forwarding agent, the carrier, or any other person or institution that is responsible for shipping as soon as they are delivered to it. To the extent that acceptance was agreed, acceptance shall be relevant for the passing of the risk. Otherwise, the statutory provisions set out in the Contract for Services Act (*Werkvertragsrecht*) shall apply accordingly. If the customer is in delay of acceptance, delivery or acceptance shall be deemed to be made.
- (3) In the event that a delay of acceptance occurs on the part of the customer, if they fail to cooperate, or if delivery is delayed for other reasons for which the customer is responsible, we shall be entitled to demand compensation for the incurred damage, including any additional expenses, for example, storage costs).

### 5 Prices and payment terms

- (1) Unless agreed otherwise by individual agreement, our current prices at the date on which a contract is concluded shall apply, to be understood as ex works and plus statutory VAT. For payment within 14 days from the date of invoice, we grant a cash discount of 2% before VAT. This shall not apply to any shared tool costs (No. 2 para 4).
- (2) In the event of a sale to destination, the customer shall bear the transport costs, ex works, and the costs of any transport insurance requested by

the customer. Any customs duties, fees, taxes, or other public charges shall be borne by the customer. We do not collect any transport or other packaging subject to the packaging regulations unless this is required by the laws; they shall become the property of the buyer; an exception to this rule are pallets.

(3) Our receivables from the customer become due and payable within 30 days from the date of invoice and delivery or acceptance of the Goods. However, in the course of current business relations, we shall be entitled at any time to deliver against payment in advance only, that is in full or in part. Such a reservation will be made no later than with the order acknowledgement.

(4) Upon fruitless expiration of the payment term, the customer shall be in default. During the period of default, the purchase price shall bear interest in the amount of the valid statutory interest rate for default. We reserve the right to assert further claims for damage caused by default. With respect to merchants (*Kaufleute*), our entitlement to claim commercial interest for default (Sec. 353 HGB [German Commercial Code]) shall remain unaffected.

(5) The customer shall only be entitled to any right to set-off or of retention to the extent that their claim is final and absolute or undisputed. In the event of defects in the delivery, the customer's counterclaims, including but not limited to subject to No. 7 paragraph 6 sentence 2 of these GTCS, shall remain unaffected.

(6) If, after conclusion of the contract, it becomes obvious that our entitlement to the sales price is at risk due to the reduced capacity of the customer to perform (for example, because of a petition for the opening of insolvency proceedings), we shall be entitled to refuse performance and - after sending a notification including a fixed deadline - to withdraw from the contract in accordance with the statutory provisions (Sec. 321 BGB). In the event of the production of unique objects (custom-made products), we shall be entitled to declare our withdrawal immediately; the statutory regulations with respect to the dispensability of the fixing of a deadline shall remain unaffected.

## 6 Retention of title

(1) We reserve the title to the sold Goods until payment on all our current and future receivables from the sales contract and the current business relations (secured receivables) has been received in full.

(2) The Goods that are subject to a retention of title must neither be pledged to third parties nor assigned as collateral before payment on the secured receivables has been received in full. The customer must notify us in writing immediately if a petition for opening insolvency proceedings was filed, or, and to the extent that, third parties have access to Goods (e.g. executions) that are our property.

(3) In the event that a customer violates a contract, including but not limited to the failure to pay the purchase price, we shall be entitled to withdraw from the contract in accordance with the statutory provisions, and demand delivery of the Goods subject to the retention of title. The demand to deliver the Goods shall not include the declaration of withdrawal at the same time; moreover, we shall be entitled to demand delivery of the Goods only and reserve the right to withdrawal. If the customer fails to pay the purchase price, we shall assert above rights only after we have sent a fruitless warning to the customer including a reasonable deadline for payment, or if such a deadline is dispensable in accordance with the statutory provisions.

(4) Subject to revocation, the customer shall be entitled - in accordance with (c) below - to sell and/or process the Goods that are subject to the retention of title in the ordinary course of business. In such case, the following provisions shall apply in addition.

(a) The retention of title extends to the products that are created through the processing, mixing or combination of our Goods, at their full value, and we shall be deemed their manufacturer. If, in the course of processing, mixing or combining with goods of third parties, their right of ownership remains intact, we shall acquire a co-ownership share in the proportion of the invoice value of the processed, mixed, or combined goods. Otherwise, the same applies to the created products that applies to the Goods delivered under the retention of title.

(b) The customer hereby assigns the receivables from third parties resulting from the sale of the Goods, or from the products, in full or in the amount of any co-ownership share in accordance with above paragraph, to us as collateral. We hereby accept this assignment. The customer's obligations mentioned under paragraph 2 shall also apply to the assigned receivables.

(c) The customer shall be authorized to collect the receivables in the same way as we are. We undertake to refrain from the collection of the receivables as long as the customer fulfils its payment obligations towards us, there is no defect in its performance, and we do not claim the retention of title by exercising our rights in accordance with paragraph 3. If this is the case, however, we may request that the customer informs us of the assigned receivables and their debtors, that it provides all the information necessary for collection, it supplies us with all related documents and informs the debtors (third parties) of the assignment. Furthermore, we shall be entitled in this case to revoke the customer's authority to sell or process the Goods that are subject to the retention of title.

(d) If the value of the collateral that can be realized exceeds our receivables by more than 10%, we shall release collateral in our own discretion at the customer's request.

## 7 Customer's warranty claims

(1) Unless provided otherwise below, the statutory provisions shall apply to the customer's rights with respect to defects of quality and in title (including wrong or short deliveries, improper assembly, or faulty installation instructions). In any case, the special statutory provisions for the delivery of unprocessed Goods to consumers shall not be affected, even if they were processed by the consumer (Recourse of the entrepreneur according to Sec. 478 BGB). Any claims under a recourse of the entrepreneur shall be excluded if the faulty Goods were processed by the customer or another entrepreneur, for example by integration in another product.

(2) The primary basis of our liability for defects shall be the agreement made with respect to the quality of the Goods. Product descriptions, drawings, weight and dimensional information shall generally be deemed agreements on the quality of the Goods only if we have expressly referred to them in our acceptance of the offer.

(3) To the extent that no quality was agreed, the statutory provisions shall be applied to assess whether a defect exists or not (Sec. 434 paragraph 1 sentences 2 and 3 BGB). However, we do not accept any liability for any public statements of the manufacturer or of other third parties (for example, advertising claims).

(4) Warranty claims of the customer require that the customer has complied with the statutory inspection and notification obligations with respect to defects (Sec. 377, 381 HGB [German Commercial Code]). If a defect shows at delivery, during the inspection or at a later point in time, we must be notified about it in writing immediately. In any case, obvious defects must be reported within two weeks from delivery and defects that could not be detected during the inspection must also be reported in writing within the same period of time after their detection. If the customer fails to carry out a proper inspection or reporting of defects, our liability for any defects that were not or not timely or properly reported in accordance with the statutory provisions shall be excluded.

(5) If supplied objects are faulty, in our discretion, we can either opt for subsequent fulfilment by removing the defect (repair) or by supplying an object that is free from defects (replacement). This shall not affect our right to refuse subsequent fulfilment subject to the statutory provisions.

(6) We shall be entitled to subject the subsequent fulfilment owed by us to the customer's payment of the due purchase price. However, the customer shall be entitled to retain a reasonable share of the purchase price, in proportion to the defect.

(7) The customer must give us the opportunity and the necessary time to perform the owed subsequent fulfilment and, including but not limited to, deliver the reported Goods to us for inspection. In the case of a replacement delivery, the customer must return the defective object to us in accordance with the statutory provisions. Subsequent fulfilment shall neither include the removal of a defective object nor its reinstallation, unless we had initially been responsible for its installation.

(8) The expense required for the inspection and subsequent fulfilment, including but not limited to transport, travel, labour, and materials costs, and removal and installation costs, if applicable, shall be reimbursed by us in accordance with the statutory regulations if a defect actually exists. If, however, the customer's demand for a removal of defects turns out to be unjustified, we shall be entitled to demand reimbursement of the costs incurred thereby (including but not limited to inspection and transport expenses) by the customer, unless the non-existence of a defect could not be recognized by the customer.

(9) In cases of emergency, for example, if the operational safety is at risk or to prevent unreasonable damage, the customer shall be entitled to remove

the defect on its own and demand compensation from us for the objectively required expenses. If possible, we must be informed immediately about any such removal of defects on their own. A right to remove defects on one's own shall not exist if we were entitled to refuse the corresponding subsequent fulfilment in accordance with the statutory provisions.

(10) If any subsequent fulfilment has failed or a deadline for subsequent fulfilment fixed by the customer has expired unsuccessfully or is dispensable in accordance with the statutory provisions, the customer is entitled to withdraw from the contract or reduce the purchase price. In the event of an irrelevant defect, however, there is no right of withdrawal.

(11) The customer can claim damages or compensation of vain expenses only as provided under No. 8, even if a defect exists, and they shall be excluded otherwise.

## **8 Other liability**

(1) Unless provided otherwise in these GTCS, including the following provisions, we shall be liable for any violations of contractual or non-contractual obligations in accordance with the relevant statutory provisions.

(2) We shall be liable to pay damages - irrespective of their legal basis - within the framework of the liability for fault in the case of wilful intent or gross negligence. In the event of ordinary negligence, we shall only be liable - subject to a milder standard of liability - in accordance with the statutory provisions (for example, for care as applied in one's own affairs):

a) For damage resulting from injury to life, body, or health;

b) For damage resulting from the violation of an essential obligation under the contract (an obligation that must be fulfilled to allow the proper execution of the contract in general and the fulfilment of which is a basic requirement on which the parties to the contract can and will rely); in this case, however, our liability shall be limited to the compensation of any foreseeable and typical damage.

(3) The limitations of liability resulting from paragraph 2 shall also apply in the event of a violation of obligations by or for the benefit of persons for whose faults we are responsible under the laws. They shall not apply in the event of a malicious non-disclosure of a defect or if we have warranted the quality of the Goods, or to claims asserted by the customer under the product liability act.

(4) In the event of a violation of an obligation that does not relate to a defect, the customer shall only be entitled to withdraw from or terminate the contract, if we are responsible for the violation of the obligation. A right of termination without reason on the part of the customer (including but not limited to Sec. 651, 649 BGB) shall be excluded. Otherwise, the statutory provisions and legal consequences apply.

## **9 Period of limitation**

(1) Notwithstanding Sec. 438 para 1 No. 3 BGB, the general period of limitation for claims based on defects of quality and in title shall be one year from delivery. To the extent that acceptance was agreed, the period of limitation shall begin on the date of acceptance.

(2) This shall not affect the special statutory provisions with respect to limitation (including but not limited to Sec. 438 para 1 No. 2 BGB, Sec. 438 para 1 No. 1, para 3, Sec. 444 and 445b BGB).

(3) The above mentioned periods of limitation under the law on sales shall also apply to contractual and non-contractual damage claims of the customer that are based on a defect of quality of the Goods, unless the application of the regular limitation periods (Sec. 195, 199 BGB) would result in a shorter limitation period in the individual case. Damage claims of the customer pursuant to No. 8 para 2 sentence 1 and sentence 2 (a) and damage claims based on the product liability act shall, however, become barred in accordance with the statutory limitation regulations only.

## **10 Choice of law and jurisdiction**

(1) The laws of the Federal Republic of Germany - except for the unified international standard law, including but not limited to the CISG - shall apply to these GTCS and the contractual relations between us and the customer.

(2) If the customer is a merchant (*Kaufmann*) in the meaning of the German Commercial Code, an entity under public law or a special fund under public law, the exclusive - and international - place of jurisdiction for all disputes directly or indirectly arising out of the contractual relationship shall be Villingen-Schwenningen, our registered place of business. Above clause applies accordingly if the customer is an entrepreneur (*Unternehmer*) in the meaning of Sec. 14 BGB. However, we shall be entitled in any case to file a claim at the place of fulfilment of a delivery obligation in accordance with these GTCS or any individual agreement with priority over these GTCS, or at the general place of jurisdiction of the customer. This shall not affect any prior statutory provisions, in particular with respect to any exclusive jurisdictions.