

General Terms and Conditions of Sale and Delivery (AGB)

EuropTec Germany hereinafter referred to as the "Seller"

General Terms and Conditions of Sale and Delivery for Trade Relations

1. General information and scope of application

- 1.1 These general terms and conditions of sale and delivery of the Seller apply to all sale transactions, deliveries of goods and other services rendered by the Seller as part of trade relations exclusively with entities other than consumers within the meaning of § 310 sec. 1 of the German Civil Code.
- 1.2 Any order or acceptance of any supply or services of the Seller by the Buyer is understood as acceptance of these general terms and conditions of sale and delivery. Any other arrangements shall only apply if they have been agreed in writing.
- 1.3 The Buyer's general commercial conditions are expressly excluded. Any conditions of the Buyer, contrary to or different from these terms and conditions of sale and delivery, shall only apply if the Seller has expressly accepted them in writing.
- 1.4 These general terms and conditions of sale and delivery shall also apply to all future transactions with the Buyer with respect to sale-purchase agreements.

2. Offer and execution of agreement

- 2.1 The Seller's offers are – unless expressly described as binding offers – non-binding, i.e. they should only be understood as a re-quest for proposal. The Buyer's order should be understood as an offer pursuant to § 145 of the German Civil Code.
- 2.2 An agreement between the Seller and the Buyer is only executed upon submission of the Seller's written confirmation that it accepts the Buyer's order (confirmation of order). In the event of immediate execution of an order, the confirmation of order should also be understood as the confirmation of acceptance of the delivery or invoice for goods.
- 2.3 Verbal additional arrangements, outside the scope of a written agreement, must always be confirmed in writing.

3. Scope of deliveries of goods and services

- 3.1 Deliveries of goods and services rendered by the Seller are specified in the confirmation of order. Any services that are not specified should be additionally agreed in writing.
- 3.2 Deliveries of goods and services, and in particular accessories, dimensions and weight of products, may slightly differ from the confirmation of order. Such differences are compliant with the agreement, if they do not adversely affect any material properties of deliveries of goods and services. On the basis of unplanned production and technical framework conditions EuropTec has the right, as part of all deliveries of goods, to deviations within a range of ± 10%.

4. Plans, technical documentation, patterns and prototypes

- 4.1 Prospectuses and catalogues without written agreement are not binding. The data included in the technical documentation is only binding if expressly confirmed to the Buyer in writing.
- 4.2 The Seller reserves all ownership rights and copyrights to the plans, technical documentation, patterns and prototypes prepared by it.
- 4.3 The Buyer accepts such rights. Any plans, technical documentation, patterns and prototypes of the Seller cannot be made available to any third parties, whether in full or in part, unless the Seller grants the Buyer its express consent in writing. The Buyer cannot use the documents provided to it for any purpose other than the purpose for which it was provided to it.

Any use of the plans, technical documentation, patterns and prototypes owned by the Seller for the purposes of receiving offers from competitors is prohibited.

If no agreement is concluded, the Buyer is obliged to immediately return all documents provided to it to the Seller.

5. Prices

The prices that apply are in accordance with the written confirmation of order. If the confirmation of order does not contain any prices, the Seller's price list up to date as of the date of the confirmation of order shall be binding. Prices offered by the Seller shall be understood as prices without statutory VAT, if VAT has not been expressly indicated. If the statutory VAT is increased after the execution of the agreement the Seller has the right to increase it to the same extent. All prices – unless otherwise agreed in writing – are expressed in EURO, net, EXW, without packaging and other deductions. Any charges, taxes, fees, customs duties, etc. shall be paid by the Buyer.

6. Conditions of payment

- 6.1 Payments should be made in the Seller's registered office, in net amounts, without any deductions on account of any discounts, receivables, taxes, charges, customs duties, etc., within 30 days of the date on which the payment becomes due and payable and receipt of the invoice.
- 6.2 Upon the lapse of the payment deadline delay occurs automatically, i.e. without any additional requests. From that moment interest for delay is charged to the Buyer, equal to 9 percentage points above the basic interest rate and lump-sum costs of EUR 40.00. It shall be without prejudice to the option to claim higher damages suffered as a result of the delay.

7. Retention of title and right of use

- 7.1 The Seller retains the ownership of the goods being delivered until full payment of all due amounts arising from agreement. It also applies to all future deliveries, even if the Seller does not expressly invoke that. The Seller has the right to keep the purchased item, if the Buyer's behavior is contrary to the terms of the agreement.
- 7.2 Until ownership is transferred to the Buyer, the Buyer is obliged to handle the purchased item with due care. In particular, in case of goods of a significant value it is obliged to insure them sufficiently at its expense against theft, damage, fire and flooding for an amount equal to the reinstatement value. If any maintenance or service and inspection works is necessary, the Buyer is obliged to carry out such works at an appropriate time at its expense.
- 7.3 Further, it shall take all measures in order to ensure that the Seller's ownership title is not threatened or revoked. Until ownership is transferred, the Buyer is obliged to immediately inform the Seller in writing of any seizure of the delivered item or any other actions of third parties. If a third party is not able to reimburse the Seller for any court or out of court proceeding costs pursuant to § 771 of the German Code of Civil Procedure, then the Buyer is liable for any losses suffered.
- 7.4 As part of proper operation of the business enterprise only and as long as the Buyer is not in delay, it has the right to further process the re-served goods, combine them with other things, mix them and further resell them.

If the purchased item is processed with other things not owned by the Seller, then upon processing the Seller acquires the co-ownership right to such new things in proportion that the objective value of the purchased thing bears to the other processed objects. The same applies to mixing. If mixing is carried out in such manner that the thing owned by the Buyer should be understood as the main thing, it is agreed that the Buyer will assign to the Seller proportionally the co-ownership right and that it will retain the exclusive ownership or co-ownership right so created. In order to secure such receivables from the Buyer, the Buyer shall assign to the Seller also the receivables accrued on its side towards any third parties as a result of combination of the reserved goods with the main thing. The Seller hereby accepts such assignment. Any other disposal of the reserved goods is not permissible. If the Buyer defers any payment of the

purchase price payable by its recipient, then it is obliged to retain the ownership title to the reserved goods on the same conditions on which the Seller retained the ownership title in the relationship with the Buyer during the delivery of the reserved goods. Otherwise, the Buyer shall not have the rights to further resell the thing.

8. Tools and moulds

- 8.1 Tools and moulds, including accessories, shall remain the property of the Seller, also when the Buyer paid some of the costs of their production.
- 8.2 The Seller, at its expense, will ensure the storage and maintenance of tools and moulds in case any additional orders are placed within 3 years of the last delivery. At the Buyer's re-quest and expense, the Seller will store and maintain tools and moulds for a maximum period of another 2 years. Any tools and moulds not used for 3 or 5 years will no longer be stored by the Seller.

9. Delivery deadlines and delay

- 9.1 The delivery deadline starts upon execution of the agreement (confirmation of order). Meeting of the delivery deadline also assumes timely and correct execution of obligations on the side of the Buyer. Exception non adimpleti contractus is stipulated.
- 9.2 The delivery deadline shall be extended when:
- the Seller does not receive from the Buyer the data required to perform the agreement on time, or when the Buyer subsequently changes such data;
 - the Buyer or third parties are late with any works to be executed by them or are late with fulfillment of their contractual obligations, in particular when the Buyer does not meet the payment conditions, by the period in which the Buyer is late with fulfillment of contractual obligations.
- 9.3 The delivery deadline shall also be extended in case of occurrence of an event of force majeure and any unpredictable obstacles which occur after the execution of the agreement and for which the Seller is not liable (in particular, also in the event of any breakdown, strike, lockout or disruption of traffic routes, epidemics, mobilization, war, riot, accidents), if such events affect the planned execution of services or delivery of goods; the deadline shall be extended by the duration of such events. It also applies to the situation in which such circumstances affect sub-suppliers or subcontractors. The Seller shall immediately notify the Buyer of the occurrence and cessation of such obstacles.
- 9.4 If the Buyer is late with acceptance or intention-ally breaches any other obligations to cooperate, then the Seller has the right to demand compensation for the damage so inflicted, including any additional costs. It shall be without prejudice to any further claims.

- 9.5 This shall be without prejudice to any statutory claims and rights of the Buyer related to any delays in delivery on the side of the Seller.

10. Transfer of risk

- 10.1 Upon handover of the sold thing the risk of accidental loss or damage shall pass onto the Buyer.
- 10.2 If at the Buyer's request goods are sent to any place other than the place of fulfillment of obligations (distance sales), then the risk of loss or damage of goods shall pass onto the Buyer upon delivery of the goods by the Seller to the freight forwarder, carrier or any other person or institution designated to carry out the shipment. At the Buyer's request goods will be insured at its expense against damage, damage caused during transport and fire.
- 10.3 If the handover or – if shipment was agreed – shipment is delayed at the Buyer's request or for any other reason not attributable to the Seller, then the risk shall pass onto the Buyer at the time initially scheduled as the handover or shipment date. From such moment delivered goods will be stored at the Buyer's expense and risk.



11. Inspection and acceptance of deliveries of goods and services

- 11.1 The Seller customarily checks deliveries of goods and services prior to shipment. If the Buyer requests further inspections, then such inspections must be agreed separately, and their costs will be borne by the Buyer.
- 11.2 The Buyer is obliged to check deliveries of goods and services immediately after the receipt of goods and execution of services and to immediately report any defects to the Seller in writing. Otherwise, deliveries of goods and services will be deemed accepted.
- 11.3 The Seller is obliged to remove the defects reported in accordance with point 11.2 as soon as possible, subject to the option arising from point 12.2, and the Buyer is obliged to allow the Seller to do so.

12. Complaint due to defects, third party liability and guarantee

- 12.1 The Buyer guarantee rights assume that it has correctly fulfilled the obligation to inspect and file a complaint, imposed upon it under § 377 of the German Commercial Code.
- 12.2 If at the time of transfer of risk, despite exercising due diligence, a defect still exists, then the Buyer is obliged to allow the Seller to remedy it within an appropriate period. In case of justified complaints, the Seller has the right to repair the defect, at the Buyer's option, through repair or delivery of substitute goods. If the defect may only be repaired, both through substitute delivery and repair, at incommensurably high costs, the Seller has the right to refuse to carry out a repair or reduce the purchase price. In case of repair the reduction of the purchase price and rescission of the agreement by the Buyer is excluded.
- 12.3 Liability for carrying out a repair, in particular the transportation and infrastructure costs, does not rest with the Seller, if after the delivery the purchased thing was transported to a plan other than the recipient's place of business or branch, unless such relocation conforms to the use of the thing consistent with its designation. It shall be without prejudice to any rights to pursue claims pursuant to §§ 445 a and 478 of the German Civil Code.
- 12.4 The rights to pursue claims pursuant to §§ 445 a and 478 of the German Civil Code shall only apply if the use by the ultimate buyer was justified and was limited only to the statutory scope, and was not contrary to the post-warranty services agreed with the Seller. They assume that obligations will be observed by the person having the right to pursue claims, in particular the obligation to file a complaint.
- 12.5 After the second ineffective attempt to repair the defect, the repair should be deemed unsuccessful if as a result thereof something else is being created other than what should arise from the type of thing or defect or other circumstances. If the repair was unsuccessful or the Seller refused to make it, then the Buyer may – notwithstanding any claims for damages – re-quest, at its discretion, a reduction of the purchase price or rescind the agreement. In the event of any minor defects rescission from the agreement is excluded.
- 12.6 The guarantee rights shall not apply in case of:
- a minor departure from the agreed quality only,
 - a minor violation of usability,
 - damages which occurred after the transfer of risk, e.g. as a result of normal wear and tear, improper storage or handling, improper maintenance, failure to observe the rules of use, overexploitation, inappropriate operating measures, chemical and electrical factors, assembly not carried out by the Seller, and other reasons not attributable to the Seller.

12.7 Any claims of the Buyer arising from physical defects of a thing shall expire after the lapse of 12 months after the effective delivery of the product to the Buyer. In case of used goods, the obligation to provide a warranty is excluded. In respect of any compensatory claims in case of negligence or willful noncompliance, and in case of any injury to life, body and health, consisting of any deliberate or intentional breach of the user's obligation, the statutory limitation period shall apply.

12.8 If the right arising from §§ 438 sec. 1 no. 2 of the German Civil Code (Buildings and building appurtenances), 445 a and b of the German Civil Code (Right to pursue claims), 478 (Right to pursue claims in case of consumer sales) and 634 a sec. 1 no. 2 of the German Civil Code (Structural defects) unconditionally pro-vides for longer deadlines, then such deadlines shall apply.

12.9 Claims under warranty shall expire earlier if the Buyer or a third party makes any alterations or repairs to the delivered goods and services or if the Buyer, in the event of occurrence of a defect, fails to immediately take all appropriate measures intended to minimize the damage and does not allow the Seller to remedy the defect.

12.10 In case of compensatory claims, § 13 shall apply (exclusion of further liability of the Seller, limitation of liability).

13. Exclusion of further liability of the Seller, limitation of liability

- 13.1 Compensatory claims and claims seeking reimbursement of expenses on the side of the Buyer (hereinafter referred to as compensatory claims), notwithstanding the legal basis thereof, in particular due to any breach of obligations, except for those arising from § 439 sec. 3 of the German Civil Code and inadmissible action, are excluded.
- 13.2 It shall not apply to the takeover of the guarantee or the risk of goods takeover.
- 13.3 It shall also not apply to the situation in which the Seller bears absolute liability, e.g. in accordance with the Product Liability Act, claims in case of negligence or willful noncompliance, and in case of any injury to life, body and health, as well as any breach of material contractual obligations, i.e. obligations the fulfillment of which enables the performance of the agreement and on the fulfillment of which the contractual party may always rely. Compensatory claims related to any breach of material contractual obligations is, however, limited predictable damages typical for a given agreement, if the Seller cannot be accused of any fragrant default or when it relates to liability for any injury to life, body and health. This shall not involve any change of the burden of proof to the detriment of the Buyer.

14. Compensation and retention right

- 14.1 Compensation is excluded, except in case of indisputable mutual claims or claims confirmed by a legally valid court verdict, arising from the same contractual relationship.
- 14.2 The Buyer shall only be entitled to exercise the right to refuse to render the services or the retention right to the extent that its mutual claim is based on the same contractual relationship.

15. Protective rights

- 15.1 If the Seller is obliged to carry out deliveries of goods or services in accordance with the plans, drawings, models or patterns provided to it by the Buyer or in accordance with its other data, the Buyer shall assume responsibility for ensuring that no protective rights of third parties shall be breached as a result of production and delivery of such products or execution of such services.
- 15.2 The Buyer shall release the Seller from liability for all damages caused as a result of any breach of the protective rights of third parties due to the Buyer's instructions.

16. No assignment

The Buyer is not entitled to assign any of its claims against the Seller to any third parties without the Seller's written consent.

17. Jurisdiction and governing law

- 17.1 Goslar is agreed to be the place of performance of the obligation and the court in Goslar shall have exclusive jurisdiction for all disputes.
- 17.2 Agreements between the Seller and the Buyer and any legal relationships between the parties are subject exclusively to the laws of the German Federal Republic, excluding the United Nations Convention on contracts for the international sale of goods.