

1. Area of Agreement

- 1.1. Orders commissioned to us are executed exclusively within the following General Terms of Business. These General Terms of Business in their relevant version apply equally to any future goods/services as well as to any offers, even when they have not yet been expressly agreed. Our terms of business are considered as accepted at first delivery, or not later than at receipt of good(s)/service(s).
- 1.2. Collateral agreements or deviations of these terms of business require our express written confirmation. No reaction to any deviations of the customer's conditions does not apply as acknowledgment or consent. The customer's business and sales terms for the prevailing contract are only in effect when we acknowledge them in writing, even when the conditions have been based on the order.
- 1.3. Our terms and conditions of sale apply only to business people as defined by Article § 310 paragraph 1 of the German Civil Code.

2. Offers, bidding documents, prices and entering the contract

- 2.1. Our offers are subject to confirmation and non-binding, unless a binding period has been explicitly accepted.
- 2.2. Offers are to be handled with confidentiality. We reserve all proprietary rights or copyrights on illustrations, drawings, calculations, and other written and oral information. These may only be disclosed to third parties with our prior written consent. We reserve the right to retrieve our bidding documents immediately upon request.
- 2.3. So far as it has not been stipulated otherwise, prices are subject to VAT, packaging, freight, postage, insurance, customs and export fees where required, installation, implementation and other associated costs ex Kamenz, Saxony headquarters.
- 2.4. We reserve the right to carry out technical, colour and design changes to the goods/services, as long as they do not have a negative effect on function and safety, and they comply with the current state of technology. Such changes cannot be used as grounds in a complaint or claim for damages.
- 2.5. In the event that the service, for reasons which the customer is responsible, is unable to be rendered after 4 months subsequent to closure of the contract, and in this time the prices of the preliminary supplier, manufacturing costs, wages, exchange parities, customs, and other costs that directly or indirectly affect the goods/service, increase, then we are entitled to adjust the original price respectively.
- 2.6. A contract is entered into only through a written confirmation of the order on our part, at the latest however with receipt of the goods/service by the customer.

3. Terms of delivery and delivery schedules

- 3.1. Delivery terms and delivery schedules apply as approximate, unless a binding written promise stipulates otherwise. Terms begin with the receipt of our order confirmation, however not before clearing all details of the execution, with the receipt of possible necessary documents and permits as well as the observance of prearranged payment terms. Should these preconditions not be fulfilled, then the period of delivery will be postponed to an appropriate date.
- 3.2. Should we be responsible for a default in delivery, then the customer is entitled, after expiration of a second delivery date set by the customer, to cancel the remainder of the contract. Already rendered parts of a goods/service are excluded from said cancellation. Should damages occur to the customer through a delay on our part or through default

of delivery, then our liability will cover only the event of a deliberate act or of gross negligence.

- 3.3. Events of force majeure, transportation breakdowns and machine stoppages, strikes, lockouts, a delay caused by a preliminary supplier or other unpredictable circumstances will postpone delivery to a reasonable date. We do not take responsibility for the faults of our preliminary suppliers. We reserve the right to extend a scheduled delivery date for the duration of the hindrance after notifying the customer. We have, as well as the customer has, the right to cancel the contract should the extended delivery term for one of the reasons described above amount to more than three months.
 - 3.4. The customer is not entitled to other and further claims when a delivery term limit has not been observed.
- ## 4. Delivery, shipment and the transfer of risk
- 4.1. When no written agreement concerning the dispatch type and transport means has been made, then it is at our discretion to choose to the exclusion of any liability. Shipment costs will be billed to the customer and, when not otherwise agreed upon, shipped uninsured. Packaging will be calculated at cost and in the usual manner of business.
 - 4.2. The risk including that of embargo is transferred to the customer at the point of delivery to the shipper, freight forwarder or at pick up, at the latest when the goods have left our company. This also applies for partial and subsequent deliveries as well as for rectification of faults.
 - 4.3. When a pick up has been agreed upon and the customer, without our agreement, does not do so within 14 days after the agreed upon delivery date or does not acknowledge our readiness to deliver, then we have the right to ship the item(s) and invoice the additional cost. Should the customer, contrary to the contract, not accept due goods/services or should a delivery or shipment be delayed by customer request, then we are entitled to store these with cost and risk to the customer or store them in a safe place directly. The customer is to pay the verifiable storage costs, of at least 0.5% of the purchase price per month. The customer is at the liberty to show evidence that no or substantially less costs have incurred.
 - 4.5. When shipment is not possible without our having to take responsibility for risk, then the risk is transferred to the customer with the delivery notification.
 - 4.6. Partial deliveries are admissible and can be invoiced separately.
 - 4.7. Should the customer be in arrears for goods/service(s) delivered prior to this, then we have the right to withhold deliveries in part or in whole without being held responsible for the compensation of possible damages.

5. Cancellation of order

- 5.1. Should the customer cancel an order, then resulting damages caused by this cancellation are to be compensated at full cost. This refers to all applied services and materials up to the point of cancellation, scheduling expenses as well as further costs resulting in this connection. Instead of the actual expense, a lump compensation sum of 20% of the value of the order can be claimed. The customer is at the liberty to show evidence that no or substantially less costs have incurred.
- 5.2. With a cancellation, all fault and guarantee claims made by the customer are rendered inapplicable. The remaining terms of business remain unaffected by this.

6. Terms of payment and payments

- 6.1. Unless otherwise agreed, our invoices are due immediately and are to be paid without deduction and free from payment

expense to one of the banks disclosed by us. Within the scope of our General Terms of Business, other terms of payment including payment on delivery or advanced payment may be decreed. Should a discount be granted, then deductions will apply only when the respective payment has reached us within the payment term.

- 6.2. Payments count as having been made only at the moment we can access the amount. In the case of cheques and exchanges, the payment counts as having been made only at the moment when these have been cashed. Exchange charges and discount expenses are charged to the customer. We are entitled to refuse cheques and exchanges.
- 6.3. The customer does not hold the right, except with undisputed and legally established counterclaims, to withhold or to offset payment.
- 6.4. By failing to fulfil the term of payment, such as in a default in payment, we are entitled to demand an interest rate of 8% above the base interest of the European Central Bank in accordance with § 247 of the German Civil Code or to calculate a higher interest rate and to claim further verified damages caused by the delay as well as a collection expense of 5.00 euro per reminder.
- 6.5. Should circumstances become known to us that would make us doubt the credit rating of the customer, in particular a suspension of payment or the return of cheques, then we are entitled to demand immediate payment of the remainder of the balance due in full and to refuse to process cheques and exchanges. We are also entitled in this case to demand advanced payment or a deposit and to withhold goods not yet delivered as well as to discontinue a current order without being held responsible for the compensation of resulting damages.
- 6.6. We are entitled to correct obvious calculation and/or spelling errors, including invoices that have already been sent out.

7. Reservation of title

- 7.1. Goods/services remain our property (goods that are subject to the reservation of title) until all claims from prior or simultaneously contracted agreements have been fulfilled.
- 7.2. The customer is revocably entitled to pass these goods subject to reservation of title on to others in the normal course of business, but not to use same as security or hypothecate them. With levy of execution or other third party interventions, the customer is obliged to refer to our reservation of title and to notify us without delay. With resale, it is the customer's responsibility for third party members to respect our rights.
- 7.3. In the event the goods subject to reservation of title are connected to or mixed with any wares not belonging to us, we shall acquire joint title pro rate to the ratio of the invoiced value of the goods so affected in the remaining wares. Processing of goods subject to reservation of title is performed from our standpoint as maker within the terms of § 950 of the German Civil Code without any obligation to us.
- 7.4. In the event of arrears of payment, or of a financial collapse on the part of the customer, we may enter or come to the client's business premises and claim the goods subject to reservation of title in order to assert that reservation of title. The assertion on our part of reservation of title or the induced attachment of goods will be billed to the customer and is not considered as withdrawal from the contract.
- 7.5. The customer surrenders the right to make future claim on the transferred goods subject to reservation of title at their invoiced value at the moment of order of said original goods to us in advance. The customer is entitled and obliged to

levy charges in the course of normal business. At our request, the customer will disclose all assigned claims. We reserve the right to publicise this assignment at any time to safeguard our payment demands.

- 7.6. Should the value of the securities exceed our payment demands of more than 20%, then we will release the amount exceeding the security upon customer's request.

Goods supplied for test and / or demonstration purposes remain our absolute property. They may be shared with the customer only by special agreement.

8. Claims and warrantee

- 8.1. Obvious defects, the absence of warranted characteristics, damage that has occurred during transportation, missing parts and wrong deliveries are to be declared without delay by written declaration within one week beginning with the day of receipt of good(s)/service(s) and with immediate cessation of any procedure; defects that are not apparent should be declared immediately upon detection. Should the customer fail to make such an immediate notification, then the good(s)/service(s) will be considered approved. The shipper is also to be notified without delay in the event of damage that has occurred during transport. The obligation to examine, subject to § 377 of the German Commercial Code, remains unaffected by this.
- 8.2. The contracting parties have agreed that under the current state of technology it would be impossible to rule out any software defect. In this regard liability is restricted to predictable damage occurring in a typical manner.
- 8.3. The technical data and information in the product documentation do not solely represent the promise of particular characteristics. A warranty is only present when the respective specifications have been confirmed on our part in writing.
- 8.4. Should there be a shortage or defect in the good(s)/service(s), then we will choose to carry out a correction or replacement under the condition that the customer has sent us a notification about the shortage or defect and/or sent back the part after notifying the circumstances concerning the shortage or defect. In the event that the correction or replacement fails, then the customer has the right to cancel the contract or to a price reduction. Further claims, as far as they are not based on gross negligence or a deliberate act, are excluded.
- 8.6. Should the customer not give us the opportunity to be convinced of the defect, should the customer not be immediately available for the good(s)/service(s), then all claims are rendered inapplicable. Due to agreements with several manufacturers, we reserve the right to refer the customer directly to a manufacturer with due consideration of the replacement or corrections required.
- 8.7. Our warranty does not cover
 - a) Damage and losses resulting through or by use of products other than ours, as well as defects that can be attributed to third-party modification or installation, fire, lightning, etc;
 - b) a faulty attempt at repair as well as other interference by the customer or other unauthorized persons;
 - c) damage through improper use and by not following the instructions for use and technical parameters;
 - d) damage that has occurred during transport;
 - e) damage that has occurred through the use of unsuitable materials or through replacement parts or customer's manufacturing materials or materials of inferior quality;
 - f) defects that have occurred through normal wear and tear, moisture, high heat or other weather and temperature influences;

- g) goods/services for which there exists no guarantee/warranty, for example parts subject to wear;
- h) claims due to minor deviations in design in view of product documentation, advertising media, samples, etc., as far as they do not impede their intended purpose;
- i) poor maintenance of the goods/services by the customer.

Removal of marks and copyright notices from our goods/services renders the warranty null and void.

- 8.8. For replacement parts or upgrades our guarantee covers on the same scale as with the original good(s)/service(s), until 12 months have expired (from the point of risk transfer). We do not guarantee used, third-party products or those supplied by the customer. However, upon request we will assign our guarantee claims against our preliminary suppliers.
- 8.9. We are entitled to refuse to repair or replace a defect should the customer not fulfil his/her duties to us, this includes duties out of other contracts.
- 8.10. Should the result of an examination show that the customer does not have a case for warranty, then the assessment expense at our relevant valid rate as well as the costs for shipping will be billed to the customer.
- 8.11. In the event that a defect has to be replaced or repaired, we will carry all costs required to remedy said errors, as far as these are not increased by bringing the good(s)/service(s) to another location other than the place of execution.
- 8.12. The period of limitation for claims on the warranty expires in 12 months (from the moment when all risk has been transferred).

9. Software license

- 9.1. Software supplied on our part (programme, programme documentation) will remain our property, even when the customer uses these with goods/services delivered by us. Software may only be used with a software license granted by us.
- 9.2. The software license enable the use of the software in connection with the agreed good(s)/service(s). It is only applicable with our written consent. Granting sub-licenses, transference to third parties and duplication in any form whatsoever, modification, translation, recompilation and reassembly is prohibited without our written consent. The customer is to keep all information about the software and applied methods and procedures in confidence.
- 9.3. The software is copyright protected by law. The customer may only produce one copy of the software for backup. The copy is to display the same copyright marks as on the original.
- 9.4. Software licenses are granted for an indefinite period and can be revoked in the event of a violation against the terms of license. The revocation of a license refers to all versions of the software made available to the customer including all copies produced thereof. In the event of a revocation or with expiration of the software license, the customer is to return all originals of the software, or to confirm the destruction of them and all copies in writing.
- 9.5. Third party software will be provided only to the conditions of the software licensing contracted between the third party and the customer.
- 9.6. The customer is not entitled to reverse engineer, decompile, disassemble or make any attempt to discover the source code of the software. There shall be not right to surrender the source code.

10. Third party industrial property rights and copyright

- 10.1. We assume no liability for our goods/services not being in breach of any third party's industrial property rights. The

customer must advise us without delay of all and any claims made against them on these grounds.

- 10.2. In the event of a breach in industrial property rights and/or copyrights we will exchange or amend to the exclusion of further claims after our own assessment of the good(s)/service(s) in question, so as to reverse said breach, so as to comply with specifications, or take back the good(s)/service(s) returning fees already paid less an appropriate fee for prior usage.
- 10.3. The customer is to indemnify us from all and any enforced claims that might be made by a third party due to a breach of industrial property rights and/or copyrights where goods/services provided on our part were rendered to the customer's design or instructions, were used other than the original purpose or were modified by someone other than ourselves. All legal costs are to be advanced as appropriate.

11. Limitations of liability

- 11.1. Our liability is limited exclusively to agreements relevant to the preceding sections. Claims for compensation on the part of the customer made in the case of impossibility, or fault when entering into the contract, default and breach of collateral duties, prohibited actions, indirect damages, consequential harm caused by a defect, loss of data or loss of profit are excluded unless the claim is based on gross negligence on our part.
- 11.2. Claims for compensation expire in 12 months (from the moment when all risk has been transferred).

12. Export approvals

- 12.1. The goods/services provided on our part are intended for use and to remain in the Federal Republic of Germany or in the country determined with the customer by written agreement. The export (of singular or as part of an integrated system) is fundamentally subject to German export law and that of the country to which the goods/services are supplied as agreed with the customer. The client is responsible for informing themselves about all regulations.
- 12.2. Regardless of whether the customer states the final destination of our good(s)/service(s) or not, the customer is responsible for obtaining all necessary approvals from all responsible authorities before exporting said products. The customer will be liable to us for the proper adherence of these approvals.

13. Miscellaneous provisions

- 13.1. The customer is not entitled to assign his/her claims from this agreement.
- 13.2. The place of performance and legal venue is Kamenz. We however reserve the right to accuse the customer at any other legal venue of jurisdiction. The law of the Federal Republic of Germany is solely applicable.
- 13.3. Should any of the provisions described above be null and void for any reason whatsoever, or this contract contain a loophole of any kind, then such regulations will replace same with suitable provisions coming as close as legally possible to the same economic effect as originally intended. This will not affect the validity of the remaining provisions in any way whatsoever.
- 13.4. Should we not administer a right subject to the approvals mentioned above, then this does not mean we waiver the future enforcement of this right.