

General Terms of Business

of the Company, AFT Automation & Feinwerktechnik GmbH, Ölbronn-Dürrn

1. General

- a) Our General Terms of Business apply for all contracts, indeed as well if our business partner (hereinafter referred to as Customer) contradicts such or refers to other terms. The acceptance by the Customer of our first delivery or service performance/payment applies in all instances as acknowledgement of these General Terms of Business.
- b) Other terms of business are only binding for us if we have expressly acknowledged such in writing. This also applies if the Customer refers to its Terms of Business and we have not contradicted such expressly.

2. Offer, Conclusion of Contract and Cooperation Obligation

- a) Our offers are always subject to confirmation, cost estimates and verbal agreements are without obligation.
- b) The scope of the contract is directed in accordance with the content of the Order Confirmation. Should it emerge after Order Confirmation that the aim of the contract can only be achieved with an alteration of the means of solution, then we are authorized to implement said expedient alteration.
- c) Offers, Order Confirmations, invoices and the like which are based on obvious falsities are not binding for us. Partial deliveries do not represent material defects, nor do negligible deviations.
- d) We reserve all proprietary and/or copyrights (exploitation) rights to illustrations, drawings, sketches, cost estimates and other documentation (hereinafter referred to as Documentation). Such Documentation may only be made accessible with our written consent. Documentation is to be returned to us free-of-charge and without delay if we request the return of such, if the order is not placed with us or if the order is completed.
- e) To the extent that the Customer is obliged to the provision of material (raw / auxiliary material, process-pending parts, individual parts, etc.), then such is to be supplied by Customer within the contractually agreed time period, or in the absence of an agreed time period, then within a reasonable time period. Additional expenditures and additional costs arising due to such material failing to possess the agreed properties or, in the absence of a contractual agreement, failing to be suitable for the application required in accordance with the contract, are to be reimbursed or compensated by the Customer. § 377 HGB (German Commercial Code) is not applicable.

3. Prices and Payment Terms

- a) The prices are understood to represent ex-factory Ölbronn-Dürrn, excluding packaging and freight, plus the respective legally applicable sales tax. The packaging will be invoiced at cost of sales and is non-returnable. We only take out insurance policies against transport damages upon the express wish of the ordering party for this specific invoice.
- b) Invoices are payable without any deduction, free our Receiving Office, within 14 days after the invoice date. Acceptance of checks and bills of exchange only occurs on account of payment; costs of discounting and collection as well as additional costs are borne by the Customer. Repairs and contract work are payable immediately upon receipt of the invoice.
- c) The prices specified by us are understood as valid prices at the time of the conclusion of the contract. We are authorized to pass on all price increases with which we are charged by our preliminary suppliers, along with all increases affecting us in material prices, wages, freight, costs such as shipping expenses, insurance premiums and the like, as well as customs, duties, taxes and so on, which we will itemize upon request by the Customer. The same applies accordingly should it emerge during order processing that the hours worked in deployment are not sufficient for completion of the order due to unforeseeable circumstances.

- d) The Customer can only offset such charges as are acknowledged or legally determined. This applies equally for the assertion of a retention right by the Customer.
- e) Should the financial situation of the Customer significantly deteriorate after conclusion of the contract or should we become aware of the unfavorable financial situation of the Customer, we can demand immediate cash payment for all of the receivables from the business connection, also to the extent that such are deferred; this also applies in the event that we have received bills of exchange or checks. Under the same conditions, we can also demand advance payments or provision of securities. The rights emanating from §§ 281, 323 of the BGB (German Civil Code) remain unaffected
- f) In the event of a violation of obligations on the part of the Customer, in particular payment arrears, we are authorized, following the unfruitful expiration of a reasonable grace period for payment established for the Customer, to demand return of the goods belonging to us. Should we assert this right, then a withdrawal from the contract is only given in the event that we expressly declare such – without prejudice to other compulsory legal provisions. The legal provisions regarding the dispensability of the establishment of a grace period remain unaffected. The Customer is required to return said goods in any case. We are not obligated to fulfill any additionally concluded contracts with the Customer, indeed until such time as the Customer has made payment in full.
- g) Taking back on our part of goods delivered by us which are not tainted with defects only ensues with our express, written consent. We reserve the right to invoice a surcharge for administrative costs emerging as a result of such totaling a minimum of 10 % of the sum to be repaid, unless the Customer verifies lower costs to us.

4. Delivery Times

- a) The indicated delivery time is non-binding to the extent that a fixed date transaction is not expressly agreed. Should unforeseeable difficulties arise during the completion of the order which could not be previously recognized, then the delivery time is extended accordingly. We will inform the Customer of such.
- b) The delivery time begins running upon dispatch of the Order Confirmation, however not prior to clarification of all of the technical details of the fulfillment and not prior to the provision of the documentation, permits, releases, etc. to be supplied by the Customer, as well as not prior to compliance with the agreed payment terms and other obligations of the Customer.

Force Majeur or similar occurrences, in particular labor disputes, insufficient material or energy, disruptions by suppliers, etc., lead to an appropriate extension of the delivery deadline, about which we will inform our Customers. This also applies if the occurrence appears at a point in time in which we find ourselves in delay.

- c) Should damages arise for the Customer as a result of a delay for which we are culpable, then Customer is authorized under the exclusion of additional claims to demand compensation of a maximum of 0.5 % for each completed week of the delay, nevertheless no more than a total maximum of 5 % of the price of the portion of the delivery which could not be put into serviceable operation, to the extent that Customer can verify suffering damages consisting of at least this amount due to said delay. In any case, any claims by the Customer are limited in regard to their amount to the foreseeable damages.

In all instances of delayed delivery, also following the expiration of any grace period established by us for delivery, both damage compensation claims by the Customer on the grounds of delay of delivery and also damage compensation claims by the Customer in place of payment exceeding the above-specified limits are excluded. This does not apply to the extent that liability is compulsory in cases of deliberate acts, gross negligence or due to the injury of life, limb or health.

5. Shipping and Transfer of Risk

- a) Even when we have confirmed shipping with the Customer, the risk is transferred at the latest with the dispatch or pick-up of the object of delivery to the ordering party, also in the event that the delivery ensues from the storage facility of our preliminary supplier.
- b) Despite this transfer of risk to the Customer, a transport insurance policy will only be taken out upon the express written wish and at the expense of the Customer. The choice of the means of transport and the transport route are in any case reserved for us. To the extent that we agree to a Customer wish in this regard, such occurs without authorization for the Customer to subsequently derive charges to us as a result.
- c) Delivered objects are also to be accepted by the Customer when such demonstrate negligible defects.
- d) If shipment, delivery, the beginning, etc., are delayed due to reasons for which the Customer bears responsibility, or should the Customer fall into acceptance arrears for other reasons, then the risk is transferred to the Customer from the date of the notification of shipping readiness or from the point in time of the refusal of acceptance of the Customer.

6. Retention of Title

- a) We reserve the ownership of the delivered goods until the complete amortization of all of the receivables to which we are and will become entitled from the business relationship.
- b) Our Customer is authorized to process or combine the delivered goods with other products within the framework of its proper business operation. For the security of our claims specified in Figure 6 a), we acquire co-ownership of the objects created by said processing or combination, which the Customer already transfers to us now. Our Customer will safely store free-of-charge the objects which are subject to our co-ownership. The degree of our co-ownership share is determined in accordance with the ratio of the value which the goods delivered by us and the object created as a result of the processing or the combination possess.
- c) The Customer is prohibited from entering into a hypothecation or transfer by way of security during the existence of the title retention. The Customer may only resell the goods subject to title retention within the normal conduct of business at Customer's normal terms of business and to the extent that Customer is not in arrears, under the condition that Customer agrees a retention of title with the purchaser and the receivables from said resale are transferred to us.

Our Customer already cedes now all of the receivables to which Customer is entitled from such resale, including ancillary rights. We already accept said cession now. The ceded receivables serve in the interest of security for all claims in accordance with Figure 6 a).

- d) Our Customer is not entitled to other disposals in regard to the goods subject to retention of title or co-ownership or in regard to the receivables ceded to us. In the event of hypothecations, confiscations or other disposals or encroachments by third parties, the Customer is to notify us without delay and to nevertheless protect all rights for us at Customer's expense. The assertion of the retention of title as well as the levy of execution of the object of delivery by us does not apply as a withdrawal from the contract unless we have declared such expressly in writing.
- e) Should the value of the securities existing for us exceed our receivables by a total of more than 20 %, then we will at our discretion release a corresponding portion of the security rights upon demand by the Customer.

7. Defects

In the event of defects in the object of delivery, then the choice of the right to cure lies solely with us. We shall be liable for defects as follows:

- a) Claims based on defects expire in 12 months. This does not apply in instances of injury to life, limb or health, or in cases of an intentional or grossly negligent violation of obligation on our part and in the event of fraudulent concealment of a defect. The legal regulations regarding suspension of expiration, suspension and recommencement of limitations remain unaffected.
- b) All such parts or deliveries or objects which demonstrate a defect during the limitation period are to be repaired, newly delivered or newly rendered at our discretion free-of-charge, to the extent that their cause was already present at the point in time of the transfer of risk.
- c) We are not liable for the following damages:

Insignificant deviations from the agreed properties; insignificant impairments in the serviceability or deviation from the usual application; in the event of natural wear or damages arising after the transfer of risk as a consequence of improper or negligible treatment, overuse, inappropriate operating facilities, defective construction work, inappropriate substratum or such as arise due to special external influences which are not agreed in accordance with the contract. Should the Customer or third parties conduct improper alterations or maintenance work or other encroachments, then equally no defect claims exist for these and the consequences resulting from such. A deviation in the delivery quantity of 10 % (excess or short delivery) is permissible and does not represent any material defect.

- d) In the event that defects have been established, the Customer can hold back payments to such degree as stands in an appropriate relation to the established defects. The ordering party can nevertheless only hold back payments if an immediate Defect Notification is asserted, the justification for which can be in no doubt. Should said Defect Notification be wrongly asserted, then the Customer must repay all of the expenses arising for us.
- e) Initially, the opportunity to remedy the situation within a reasonable period is to be granted to us. Should such remedy fail, then the Customer can withdraw from the contract or reduce the emolument.
- f) Customer claims based on the expenditures required for the purpose of remedy, particularly transport costs, routing costs, labor and material costs, are excluded to the extent that said expenditures arise or increase because the object of delivery has been brought to a location other than the premises of the Customer, unless something else is agreed.
- g) Should the defect in a delivered object of delivery be based on a defective delivery by our preliminary supplier, then we are only liable for said defect to the extent and in the amount of the compensation we receive from our preliminary supplier.
- h) Recourse rights of the Customer against us in accordance with § 478 of the BGB exist only to the extent that the Customer has not entered into any agreements with the purchaser exceeding the legal defect rights. For the scope of the Customer's right of recourse against us, lit. f) of these General Terms of Business also applies accordingly.
- i) Figure 9 applies for damage compensation claims. More extensive Customer claims or claims other than those regulated in Figures 7 and 9 against us or our auxiliary persons due to material defect are excluded. This applies in particular as well for consequential damages caused by a defect.

8. Copyrights / Transfer of Rights

- a) The Customer must avouch for the fact that detailed drawings presented by Customer do not infringe on the copyrights of third parties. We are not obligated to the Customer to examine whether we violate the copyrights of third parties in the event of manufacture on the basis of detailed drawings submitted to us. Should we nevertheless be deemed liable, then the Customer must shield us from all damages in the event of recourse claims.
- b) Without our express consent, the Customer may not assign its contract rights to third parties.

9. Damage Compensation Claims

- a) Damage compensation and expenditure repayment claims by our Customer (hereinafter referred to as Damage Compensation Claims), regardless of their legal basis, in particular due to the violation of obligations from the obligation relationship and arising from prohibited activities, are excluded.
- b) This does not apply to the extent that liability is compulsory, e. g., in accordance with the Product Liability Legislation, in cases of deliberate acts, gross negligence, due to injury to life, limb or health and due to the violation of essential contractual obligations. The Damage Compensation Claims right for the violation of essential contractual obligations is nevertheless limited to such damages as are foreseeable and contractually typical, to the extent that no instances of deliberate acts or gross negligence exist, or liability is present due to the injury to life, limb or health. An alteration of the burden of proof to the detriment of our Customer is not linked with the above regulations.

10. Place of Fulfillment and Legal Domicile

- a) The place of fulfillment is Rottweil.
- b) If the Customer is a commercial merchant, sole legal domicile and place of fulfillment in the event of all disputes emanating directly or indirectly from the contractual relationship is Rottweil (District Court of Stuttgart). We are nevertheless also authorized at our discretion to file an action against the Customer at Customer's headquarters or another location where Customer assets are located.
- c) Applicable law is German; as for the remainder, the German text of our General Terms of Business represents the sole authoritative version. Application of the United Nations Convention on the International Sale of Goods (CISG) is excluded.

11. Engagement of the Contract / Severability Clause

- a) In the event of the legal impracticability of individual provisions, the remaining portions of the contract remain valid. The impracticable provision is to be replaced with a practicable provision which most closely reflects the intended financial purpose. The same applies if a loophole requiring supplementation arises in the execution of the contract.
- b) The above does not apply in the event that adherence to the contract would represent an unreasonable severity for one of the parties.