

General Terms and Conditions of Sale and Delivery of HALLTECH GmbH, D-85445 Schwaig/Germany

1. General

- 1.1 Our General Terms and Conditions of Sale and Delivery shall exclusively apply to all our deliveries and performances including the ones resulting from future transactions to other countries (outside Germany) unless different terms and conditions have expressly been agreed for the individual case. Online ordering is intended exclusively for industrial customers according to § 14 BGB (German Civil Code) or legal entities under public law and separate funds under public law.
- 1.2 We herewith expressly reject any conflicting of different terms and conditions of the customer. They shall only become part of the contract if expressly agreed by us in writing in every individual case.
- 1.3 Our terms and conditions shall also apply if we with knowledge of the terms and conditions of the customer conflicting with or different from our terms and conditions execute the delivery without reservation.
- 1.4 All agreements concluded between the customer and us concerning the sale of goods shall be done in writing. The same shall apply to any modifications and amendments of the contract, in particular to the cancellation of the written form clause. For the scope of the delivery our written order confirmation shall be decisive.
- 1.5 Our terms and conditions shall be considered accepted and shall form an integral part of the contract with the receipt of goods by the customer at the latest.
- 1.6 The customer shall maintain silence concerning the conclusion of the contract and all information related to this. We reserve all proprietary rights and copyrights concerning any offer documents, in particular the drawings furnished by us and shall disclose plans marked by the customer as confidential to third parties only after prior approval of the customer.
- 1.7 If we are – in addition to the delivery - entrusted with the assembly this assembly shall be performed under a separate contract for work and services independent from the delivery. For such a contract the special written terms of assembly shall apply.
- 1.8 The description of the goods and all specifications, such as dimensions, weights, illustrations, sketches and drawings are non-binding. Models and drawings will remain the property of this company, subject to technical changes. Quotations are without obligation. Printing and writing errors as well as miscalculations and obvious errors shall have no effect.

2. Prices, Scope of the Delivery

- 2.1 Our quotations are subject to change without notice unless they are expressly agreed in writing as binding. The prices are ex works exclusive of any packaging and transport costs. For deliveries to countries outside the European Community the German value-added tax shall not apply. For deliveries within the European community the German value-added tax shall not apply if the customer provides us in writing with its turnover ID number by 1 month before the agreed date of delivery at the latest in order to prove the exemption from turnover tax. If the document proving the exemption from turnover tax is not furnished within the period of one month mentioned before we shall be entitled to charge the statutory German value-added tax.
- 2.2 All taxes, fees and charges in connection with the delivery in other countries than Germany shall be charged to the customer. If we are charged with taxes, fees or other charges by authorities in the country of the customer when executing this delivery the customer shall refund these costs.
- 2.3 In case of increases in material costs, prices and wages, which may also occur even after placing of order and order confirmation or at our suppliers we shall be entitled to charge the additional costs caused if the goods shall be delivered four months after concluding the contract i.e. after receipt of the written order confirmation by the customer or the service agreed shall be performed after these four months.
- 2.4 Minimum order value net
- for domestic (Germany) and international orders: EUR 75.00
 - for web shop orders: EUR 50.00
- For orders with a value of goods less than EUR 75.00 net, we will charge a minimum quantity surcharge up to the amount of 75.00 EUR.

3. Delivery Periods, Delivery Dates

- 3.1 The delivery period shall commence with the date of the order confirmation, but not before an agreement on all commercial and technical details, particularly not before the provision of the documents, approvals, releases to be procured by the customer as well as the receipt of an advance payment agreed.
- 3.2 Delivery periods and delivery dates shall be subject to change without notice. They shall refer to the date of dispatch of the goods. This shall be based on the precondition that we on our side have been accurately and timely delivered by our suppliers. Partial deliveries shall be permitted. Every shipment shall be considered as an independent transaction. The delivery period is adhered, if the delivery goods have left our site at the end of the delivery period or the customer has been informed about the readiness of dispatch. If goods have to be approved the date of approval or the information of the readiness for approval are deciding unless the customer is entitled to decline the approval.
- 3.3 Cases of force majeure and other events beyond our control which delay or prevent the delivery or make it undue such as breakdowns of any kind, administrative orders, transport holdups, strikes, war and lockout shall release us without any compensation from our obligations resulting from the supply agreement. Circumstances preventing the delivery only temporarily shall release us only for the time these circumstances prevail plus a reasonable start-up period. The same shall apply if these circumstances occur at our suppliers.
- 3.4 In case of contracts calling for a continuous delivery we shall be informed about release orders and delivery schedules for approximately identical monthly quantities at least 1 month before the beginning of the respective month of delivery. If the release orders or delivery schedules are not submitted in time we shall – after unsuccessful expiration of a

reasonable additional period - be entitled to prepare the delivery schedules by our own and to deliver the goods.

4. Passage of Risks, Acceptance

- 4.1 Deliveries shall be effected ex works at the expense of the customer. The risk of loss or damage of the goods shall be passed to the customer when handing over the goods to the carrier entrusted with the shipment, in case of default in acceptance with the occurrence of the default.
- 4.2 In case of a default in acceptance we shall be entitled to charge storage charges. They shall amount to 0.5% for each week, maximum 15% of the value of that portion of the total delivery which was not accepted in time or not according to the contract due to the delay. After the unsuccessful expiration of a reasonable period we shall be entitled to dispose of the goods in any other way and to deliver the customer with reasonable extended periods.
- 4.3 All risks will pass to the customer as soon as the goods have left our premises ready for shipment, even if free delivery had been agreed.
- 4.4 Goods supplied will be insured only if expressly requested by the customer. This, however, requires our separate written confirmation of order. The costs involved will be for the account of the customer.
- 4.5 If a consignment should be lost during transport and the customer places a replacement order, we shall not be liable for taking back the original consignment should this eventually be located

5. Warranty Claims

- 5.1 We shall perform our contractual obligations with the due care and diligence of a prudent businessman. Immediately upon receipt the customer has to inspect the goods received concerning quantity, quality and defects. The customer has to notify us about apparent defects by stating the invoice number and the date of invoice. This notification has immediately to be effected in writing to the address HALLTECH GmbH, Hallbergmooser Str. 5, 85445 Schwaig/Germany, but within 5 working days after receipt of the goods at the latest. Concerning defects already apparent at the moment of receipt of goods the customer shall additionally give notice to the carrier who has to be induced to assess the damage. Primary hidden defects have to be complained within 5 working days after their discovery. On request, the customer shall furnish records such as delivery notes etc. in original in order to check the complaint or shall return the goods for a suitable repair.
- 5.2 The normal warranty period is 12 months. This is shortened to 6 months if the goods are used in two-shift operation (16 hours service per day) and to 3 months in three-shift operation (24 hours service per day) from date of delivery. The acceptance of defects must be done in writing. Repairs and subsequent deliveries shall not effect any extension of the original warranty period. Wear parts are excluded from any warranty claim.
- 5.3 Our product specification shall only deem agreed as quality and condition of the goods conformable to the contract but not any advertisement or public statement. In case of non-essential defects any claims of the customer shall be excluded. A non-essential defect is given, if the value of the goods or its merchantable quality is only negligibly reduced. Concerning the sale of second-hand goods any claims for defects shall be excluded.
- 5.4 Essential defects shall be remedied first by repair or substitute delivery (subsequent performance) at our option free of charge for the customer. The subsequent performance shall be effected within a reasonable period of time – normally within 30 days after the written request of the customer. We shall be granted at least 2 attempts for subsequent performance. Replaced parts shall be our property. The subsequent performance shall be excluded if causing unreasonable expenses for us. Only in urgent cases of danger for the safety of the business and for the avoidance of damages out of scale (of which we have to be noticed immediately) the customer is entitled to repair the defect himself or have it repaired by a third party, in which case we bear the necessary costs.
- 5.5 If we fail to perform our contractual obligations or fail to perform them conformable to the contract within a period fixed by the customer we shall request the customer to declare within a reasonable period of time fixed by us whether or not the customer still insists on our performance. By the time of receiving the decision of the customer we shall not be under the obligation to perform.
- 5.6 If the subsequent performance fails, is rejected, impossible or unreasonable or in case of allowing unsuccessfully a reasonable period within which to make performance or in case that such a period is superfluous the customer shall be entitled within the legal requirements to claim reduction of the purchase price (abatement) or in case of a material culpable breach of contractual obligations to rescind the contract and to claim damages or repayment of expenses.
- 5.7 Subject to clause 6 any further claims of the customer concerning or in relation to defects or consequential damages caused by a defect shall be excluded.
- 5.8 We shall not assume any liability for damages at the goods delivered by us which after passage of risks have not been caused by us, particularly not for damages to due modifications of the goods themselves, improper or inadequate use, faulty assembly or start-up by the customer or third parties, excessive stress, natural wear and tear, faulty or careless handling, faulty or improper maintenance, inadequate expendables, chemical, electrochemical or electrical influences as well as transport.
- 5.9 Claims of the customer for expenses necessary for the subsequent performance, in particular costs for transport, labor and material shall be excluded to such an extent as they are increased due to the fact that the goods have subsequently been taken to another place than the original place of delivery. Concerning expendables and parts subject to wear and tear the liability for defects shall be excluded for hidden defects.

- In case of unsubstantiated complaints we will demand compensation for the respective expenses incurred by us, at least 20% of the complained value of goods. Standard products and are in "as new" condition. In every case we will charge a handling fee in the amount of 20% of the value of the cancelled orders or the returned goods, at least, EUR 20.00.
- 5.10 Cancellations of orders already confirmed by us or the return of goods by the customer concerning deliveries we have performed according to the contract shall only be permitted if the customer simultaneously places a substitute order in the amount of at least the order value (net) of the cancelled orders and the returned goods respectively, providing the goods are standard products and are in "as new" condition. In every case we will charge a handling fee in the amount of 20% of the value of the cancelled orders or the returned goods, at least, EUR 20.00. § 649 BGB applies to all custom made orders that are cancelled by the customer.
- 6. Liability**
- 6.1 To such an extent as permitted by law our liability shall be excluded. We shall not assume any liability for losses unless they are due to
- Intention,
 - Gross negligence of our statutory representatives or executive employees,
 - Intentionally concealed defects or the assumption of warranties,
 - Defects, if liability is assumed under the product liability law for personal injuries or damages to property at privately used objects, or
 - Death and personal injury, culpably caused by us.
 - Violation of material contractual obligations as stipulated in 6.2
- 6.2 In case of a breach of material contractual obligations (contractual obligations which are of particular importance for achieving the purpose of this contract) we shall also accept liability for gross negligence of our employees, representatives, assistants and/or vicarious agents. If we breach material contractual obligations slightly negligent our liability shall be limited to that damage we should typically have to take into consideration when concluding the contract due to the circumstances known to us at this moment. The speculative, typically incurring damage shall be limited to the value of the respective order, but maximum to EUR 10,000.00 for each individual damage.
- 6.3 To such an extent as our liability is excluded or limited this shall also apply to the personal liability of our employees, representatives, assistants and/or vicarious agents.
- 6.4 The provisions stated above shall not effect any shifting of the burden of proof.
- 7. Payment**
- 7.1 Payment shall be effected without any discount within 30 days after date of invoice. For orders with an order value exceeding EUR 10,000.00 the customer shall pay a down-payment of 1/3 of the order value within 5 days after receipt of the order confirmation, a further down-payment of 1/3 of the order value within 5 days after receipt of the notification that the goods are ready for shipment and the remaining amount 30 days after date of invoice. In case of cashless payments the date of receipt of payment shall be the day when our account is credited with this amount.
- 7.2 If expressly agreed we shall grant a discount in the then agreed amount. This discount shall not be granted if the customer is in default concerning the settlement of an earlier invoice.
- 7.3 We reserve the right to use payments for the settlement of the oldest invoice items due plus interest and costs incurred for them, namely in the order of preference costs, interest, principal claim.
- 7.4 The customer shall only be given the right of set-off or the right of retention if cross claims are legally effective, undisputed or accepted by us in writing. We shall be notified about the set-off in writing. Furthermore the customer only be entitled to execute the right of retention if the cross claim of the customer results from the same contractual relationship.
- 7.5 We reserve the right to refuse delivery if it becomes apparent after concluding the contract that our demand for payment is endangered by an insufficient ability of the customer to pay. Our right to refusal shall forfeit if the payment is effected or the customer furnishes an appropriate security. We shall be entitled to fix a reasonable deadline for the customer in which the customer either contemporaneously effects payment against delivery or furnishes a security. After unsuccessful expiration of this period we shall be entitled to rescind the contract. In case of a deterioration of the financial situation of the customer we additionally reserve the right to effect the delivery only and the basis of cash on delivery or against payment in advance or when being provided with a security.
- 8. Delay in Payment**
- 8.1 The customer shall also be in default without demand for payment if the customer does not pay the prices agreed within a period of 30 days after date of invoice. If the customer is in default or in case of a substantial deterioration of its financial situation all outstanding payments including any payments a respite has been granted for shall fall due immediately.
- 8.2 In case of any default we shall be entitled to charge interest in the amount of 8% above the base interest rate of the European Central Bank valid at the respective date. This shall be without any prejudice to any further damage caused by delayed payment.
- 9. Reservation of Ownership**
- 9.1 We reserve the right of ownership concerning the goods delivered until receipt of the full purchase price.
- 9.2 Any combining, mixing or processing of the parts by the supplier shall always be performed on our behalf and for our account but without putting us under any obligation. If our conditional commodity is combined, mixed or processed with parts not in our possession we shall acquire the ownership in the new item in the ratio of the value of the conditional commodity (purchase price plus value-added tax) to the value of the parts not in our possession at the moment of combining, mixing or processing. If the combination, assembly etc. is done in a way that the item of the customer is regarded as the principal object it is understood that the customer shall proportionately transfer the co-ownership to us. The customer shall store the objects we have the sole ownership or the co-ownership in for us free of charge.
- 9.3 The customer shall treat the conditional commodity in a careful way. The customer undertakes to maintain the conditional commodity at its own expense, if necessary, and to insure it at reinstatement value against the usual risks, in particular against fire, damages by water and theft; on request, the customer has to furnish evidence that such insurances have been taken out. Even now the customer shall assign all claims for compensation resulting from these insurance policies to us. We herewith accept this assignment.
- 9.4 In case of acts in breach of the contract by the customer, in particular in case of default in payment, a deterioration of the financial situation of the customer or filing a petition for insolvency proceedings over the assets of the customer we shall be entitled to enter the business premises of the customer in order to assert the reservation of ownership and to take possession of the conditional commodity. The assertion of the reservation of ownership or the attachment of the conditional commodity shall only mean a rescission from the contract if expressly stated by us in writing.
- 9.5 As long as the customer has not met all payments resulting from the business relations with us the customer has to inform us immediately in writing about any relocation of its registered office, its own insolvency, attachments or other seizures of third parties and other deteriorations such as damages to or loss of goods partly or in whole in our possession. In case of seizures by third parties the customer shall indicate our property. The customer shall refund any costs occurring to us when pursuing our claims against third parties concerning goods attached by third parties but being in our ownership. If the customer fails to do so the customer shall be liable for any losses we may have.
- 9.6 The customer shall revocably be entitled to sell the goods delivered and the articles produced from them by means of processing within the ordinary course of business provided that the customer resells under an own reservation of ownership and agrees that this reservation of ownership shall be superseded by the ownership in the new object or the claim resulting from this if the reservation of ownership lapses due to processing or resale. This right shall forfeit in case of stoppage of payments. The customer shall even now assign all receivables (value-added tax included) due to the customer resulting from the resale with all accessory rights to us including bills of exchange and cheques in order to secure the respective claims. We herewith accept this assignment. Concerning the sale of goods we have a co-ownership in the assignment shall be limited to that share of the receivables, which corresponds to our proportionate co-ownership.
- 9.7 As long as we do not withdraw this authorization the customer shall be entitled to collect the receivables assigned. This shall be without any prejudice to our right to collect the account on ourselves. The authorization for collection shall lapse even without an express revocation if the customer defaults, a petition for opening insolvency proceedings over the assets of the customer is filed or a stoppage of payments is given. In these cases we shall be entitled to demand the customer to inform us immediately about all receivables assigned and their respective debtors in writing, to give us all information necessary for collection, to surrender the respective documents and to inform the third party about the assignment. In order to substantiate our claims we shall be entitled at any time to disclose the assignment to the customer of the customer.
- 9.8 The customer shall not be entitled to execute any further dispositions, e.g. assignment as security or pledge, concerning the goods in our ownership or co-ownership or concerning the receivables assigned to us.
- 9.9 If the value of the securities in our favor exceeds the claims to be secured by more than 20% and not only temporarily we shall release these securities at our option on request of the customer exceeding 120% of the value of our claims.
- 9.10 If only other securities which, however, are comparable to the reservation of ownership are permitted in that country where our goods are until the entire payment of all claims these securities shall deem agreed. In such a case the customer undertakes to co-operate concerning all actions necessary to obtain these securities. The customer shall be under the same obligation if the occurrence of the reservation of ownership is made subject to particular conditions.
- 10. Costs for plans**
- Should a technical drawing be requested before ordering the goods the costs of this drawing shall be borne by the customer. The costs are payable upon delivery of the drawing. The costs depend on the time needed for the drawing and are calculated at an hourly rate of € 49.00. Should an order follow immediately or at a later date the costs will either be reimbursed or will not be charged at all.
- 11. Tooling costs**
- 11.1 We are the owners of all tools, models, samples, molds and drawings that are used to manufacture our goods or have been made for the production of our goods (means of production), even if they were fully or partly paid for by the buyer. Any contributions made to the necessary means of production by the buyer will not void our exclusive and permanent Right to dispose of the required means of production. This also applies to our suppliers.
- 11.2 If the buyer has shared in the cost of the means of production, as agreed, this contribution shall not be refundable if delivery will not be made for reasons out of our control.
- 11.3 Use of the means of production for the manufacture of parts for third parties shall be basically admissible. Only if we have given an explicit written assurance shall we be bound to use the corresponding means of production exclusively for the buyer.
- 11.4 The contributions made by the buyer will not be amortized or refunded in any other way. We will store and maintain any and all means of production. Any maintenance cost arising from normal tool wear will be for our account. However, we shall not be liable for any damage caused in spite of proper handling. Our storage obligation shall lapse if no further orders are received from the buyer within two years after the last shipment.

12. General Provisions

- 12.1 We shall be entitled to transfer or assign rights and obligations resulting from this contract to any legal successor and to utilize the services of third parties when performing this contract.
- 12.2 If any term of this Terms and Conditions or of the Supply Agreement is held or shall become invalid or unenforceable in whole or in part or should there be any gap in these terms the validity of the remaining provisions shall not be affected. The invalid or incomplete provision shall be replaced by a provision coming closest to the commercial performance of the invalid or incomplete provision.
- 12.3 Place of performance is Schwaig. In such an extent as it is permitted by law the place of jurisdiction for all disputes resulting from this Agreement including any action on a bill of exchange or cheque shall be Munich. We, however, shall be entitled to proceed against the customer at the place of jurisdiction of its principal place of business.
- 12.4 In cases of doubt the German version of this Agreement shall be binding.
- 12.5 This Agreement shall be exclusively governed by German law. The application of the UN Convention on Contract for the International Sale of Goods and other conventions on the international sale of goods shall be excluded.
- 12.6 Within the scope of the statutory provisions, in particular the provisions of the Federal Data Protection Law, we shall be entitled to store customer data, to process them internally and to pass them to third parties in such an extent as required by our business activities.

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