

## 1. General information

- 1.1. All deliveries and performances are based on these conditions and any separate contractual agreements. Deviating conditions of purchase of the Purchaser shall not become content of the agreement even though the contract is accepted. A contract shall be concluded - where there is no special agreement - when the written order confirmation is issued by the Supplier.
- 1.2. The Supplier reserves the ownership rights and copyrights in designs, quotes, drawings and the like; they shall not be made accessible to third parties. The Supplier undertakes to only make information and documents described as confidential available to third parties with the Purchaser's consent.
- 1.3. These General Conditions shall only apply to entrepreneurs, legal persons under public law and special funds under public law.

## 2. Price and payment

- 2.1. Where there is no special agreement, the prices shall be FCA Supplier's works, but excluding packaging.
- 2.2. All prices are understood net and do not include the applicable sales tax.
- 2.3. All payments are to be made in Euro.
- 2.4. The Purchaser shall only have a right to retain payments or to offset with counterclaims if its counterclaims have not been disputed or have been determined by a court of law.

## 3. Term of delivery, delay

- 3.1. The delivery period shall result from the agreements with the contractual partner. It shall be observed by the Supplier providing that all commercial and technical issues have been clarified by the contractual parties and the Purchaser has fulfilled its obligations such as provision of the necessary official certificates or permits or payment of a down-payment. If this is not the case the delivery period shall be extended accordingly. This shall not apply if the Supplier is liable for the delay.
- 3.2. Observation of the delivery period shall be subject to correct and timely delivery by the Supplier's suppliers. The Supplier shall inform the Purchaser of any impending delays as soon as possible.
- 3.3. The delivery period shall be deemed observed if by expiry thereof the object of delivery has left the Supplier's works or the Supplier has announced that it is ready for dispatch. Where acceptance is necessary - apart from where the Purchaser is entitled to refuse acceptance - the acceptance date shall be decisive, alternatively when the Supplier announces that the object is ready for acceptance.
- 3.4. If dispatch or acceptance of the object is delayed for reasons for which the Purchaser is responsible it shall be liable for the costs which result from the delay commencing one month after the announcement that the object is ready for dispatch.
- 3.5. If the delivery period is not observed as a result of *force majeure*, labour disputes or other events which are not within the Supplier's control the delivery period shall be extended accordingly. The Supplier shall inform the Purchaser of the beginning and end of such circumstances as soon as possible.
- 3.6. The Purchaser can rescind the agreement without delay if the Supplier is finally unable to perform completely before the passing of risk. The Purchaser may also rescind the agreement if for one part of an order delivery is impossible and its interest in refusing part-delivery is justified. If this is not the case the Purchaser shall pay the price for the part-delivery. The same shall apply in the case of incapacity of the Supplier. Article 7.2. shall apply in all other respects. If the impossibility or incapacity results during the delay in acceptance or if the Purchaser is solely or mainly responsible for these circumstances he shall remain obliged to pay the consideration.

- 3.7. If the delivery is delayed due to the Supplier's fault and the Purchaser suffers damage as a result, it is entitled to demand a set amount of compensation for delay. This shall be 0.5 % per full week of the delay but a maximum of 5 % of the value of the respective part of the entire delivery which cannot be used in due time or in accordance with the contract as a result of the delay.  
If the Purchaser sets the Supplier a reasonable deadline for performance after the due date - taking account of the statutory exemptions - and this deadline is not met, the Purchaser shall be entitled to rescind the agreement in the framework of the statutory provisions. It undertakes to state within a reasonable period, if requested to do so by the Supplier, whether it chooses to exercise its rescission right. Further claims owing to default in delivery shall be governed exclusively by Article 7.2.

## 4. Passing of risk

- 4.1. The risk shall pass to the Purchaser in accordance with the agreed Incoterm.
- 4.2. If dispatch is delayed or does not take place as a result of circumstances for which the Supplier is not responsible the risk shall pass to the Purchaser from the day on which it is announced that the object is ready for dispatch. The Supplier undertakes to take out any insurance at the cost of the Purchaser which the Purchaser requests.
- 4.3. Part-deliveries shall be permitted where the Purchaser can reasonably be expected to accept such.

## 5. Right of retention

- 5.1. The Supplier shall retain title in the object of delivery until receipt of all payments - also of any ancillary payments owed - due under the supply agreement. This shall also apply to installation and further sale.
- 5.2. The Purchaser may neither pledge the object of delivery nor transfer it as security. In the event of seizures or confiscation or other disposals by third parties it shall inform the Supplier without undue delay.
- 5.3. In the event of a breach of contract by the Purchaser, in particular in the case of default with payment, the Supplier shall be entitled to take back the object of delivery after a warning and the Purchaser obliged to surrender it.
- 5.4. As a result of the retention of title the Supplier can only demand that the object of delivery be surrendered if it has rescinded the agreement.
- 5.5. An application for the commencement of insolvency proceedings shall give the Supplier a right to rescind the agreement and to demand immediate return of the object of delivery.

## 6. Claims for defects

The Supplier shall be liable with respect to the object of delivery for material and legal defects excluding other claims - subject to Article 7. - as follows:

### Material defects

- 6.1. All parts which prove faulty as the result of a circumstance which occurs prior to the passing of risk shall be improved or replaced without charge at the discretion of the Supplier. The Supplier shall be informed without undue delay in writing that such defects have been ascertained. Parts replaced shall become the property of the Supplier.
- 6.2. The Purchaser shall grant the Supplier, after agreement therewith, the time necessary and an opportunity to carry out all improvements and replacements which the Supplier deems necessary; otherwise the Supplier shall be released from liability for the resulting consequences. Only in urgent cases of risk to operational safety or to ward off disproportionately greater damage, whereby the Supplier shall be informed immediately, shall the Purchaser have the right to remedy the defects itself or have such remedied by third parties and to demand reimbursement of the necessary expenses from the Supplier.
- 6.3. The Supplier shall bear all costs which result directly from the subsequent improvement or replacement delivery including shipping, disassembly and assembly where this

does not lead to a disproportionate burden for the Supplier. If recourse claims arise in the context of a supply chain when a newly manufactured item is sold, the supplier shall reimburse the Purchaser for the expenses incurred to the extent of his statutory obligation.

6.4. The Purchaser shall have a right within the framework of the statutory provisions to rescind the agreement if the Supplier - taking account of the statutory exceptions - does not observe a reasonable deadline for subsequent improvement or replacement delivery as the result of a material defect. If a defect is not significant the Purchaser shall merely have a right to reduce the purchase price. The right to reduce the purchase price shall otherwise be excluded.

Further claims shall be governed exclusively by Article 7.2.

6.5. No liability shall be assumed in particular in the following cases:

unsuitable or improper use, faulty assembly or commissioning by the Purchaser or third parties, natural wear and tear, faulty or negligent treatment, improper maintenance, unsuitable operating means, faulty construction work, unsuitable foundations, chemical, electrochemical or electrical influences - where these are not the responsibility of the Supplier.

6.6. If the Purchaser or a third party does carry out improvements improperly the Supplier shall not be liable for the resulting consequences. The same shall apply to changes made to the object of delivery without the prior consent of the Supplier.

#### Legal defects

6.7. If use of the object of delivery leads to an infringement of industrial property rights or copyrights the Supplier shall obtain the right to continued use at its cost for the Purchaser. If this is not possible the Purchaser shall be entitled to rescind the agreement. Subject to the above-mentioned preconditions the Supplier shall also be entitled to a rescission right. Furthermore, the Supplier shall release the Purchaser from claims which are undisputed or which have been determined by a court of law by the respective owner of the property right.

6.8. The obligations of the Supplier set out in Article 6.7. are final subject to Article 7.2. for cases of property right or copyright infringement. They shall only exist if

- the Purchaser informs the Supplier without undue delay of infringements of property rights or copyrights which have been asserted,
- the Purchaser assists the Supplier to a reasonable extent in defending against the claims asserted,
- the Supplier retains the right to take all defensive measures including out-of-court measures and
- the legal defect does not result from an instruction given by the Purchaser.

#### **7. Liability of the Supplier, exclusion of liability**

7.1. If the object of delivery cannot be used in accordance with its contractual purpose for a reason for which the Supplier is responsible the provisions of Articles 6. and 7.2. shall apply excluding further claims by the Purchaser.

7.2. The Supplier can be held liable - on whatever legal grounds - for damage which has not been caused to the object of delivery itself only

- a) for intent,
- b) for gross negligence committed by the owner/bodies or executive employees,
- c) for culpable injury to life, body, health,
- d) for defects which it has fraudulently concealed,
- e) within the framework of a guarantee promise,
- f) defects caused to the object of delivery, if, according to the Product Liability Act, liability is accepted for injuries to persons or damage to privately used objects.

In the event of culpable violation of essential contractual obligations, the Supplier shall also be liable both in the case of

gross negligence committed by non-executive employees and in the case of slight negligence. In the latter case, liability shall be limited to contract-typical, reasonably foreseeable damage. Further claims shall be excluded.

#### **8. Statute of limitations**

All claims of the Purchaser - on whatever legal grounds - shall expire in 12 months. The statutory periods shall apply to compensation claims pursuant to Article 7.2. a-d and f. They shall also apply to defects to a building or for objects of delivery which have been used for a building in accordance with their usual use and have caused it to be deficient.

#### **9. Use of software**

To the extent that software is included in the scope of delivery the Purchaser shall be granted a non-exclusive right to use the software supplied and its documentation. It shall be provided for use on the intended object of delivery only. The Purchaser shall only be entitled to reproduce, revise, translate or transform the object code into the source code to the extent permitted by statute. The Purchaser undertakes not to remove or to modify manufacturer's data - in particular copyright notes - without the Supplier's prior expressed consent. Any other rights with regard to software and documentation including the copies shall remain with the Supplier or the software supplier as appropriate. Granting of sublicenses is prohibited.

#### **10. Applicable law, place of jurisdiction**

The parties shall endeavor, by mutual agreement, to resolve all disputes arising out of this Agreement, including those relating to its validity, irrespective of whether they occurred during the period of validity or until the end of the warranty period.

If no agreement can be reached and the Purchaser has his seat in the FRG, the matter will be finally decided according to the Rules of Arbitration of the German Institution of Arbitration e. V. (DIS) under the exclusion of ordinary legal action. Place of arbitration is Frankfurt / Main. German material law is applied.

However, if the Purchaser has his seat outside the FRG, the matter will be finally decided in accordance with the rules of arbitration of the International Chamber of Commerce (IHK) by one or more judges appointed under these rules. The place of arbitration is Geneva. Swiss substantive law is applied. The language of negotiation is German or English.