

General Terms and Conditions of Ulmer Werkzeugschleiftechnik GmbH & Co. KG

Section 1 Scope of Application

- (1) These General Terms and Conditions apply to all contracts of Ulmer Werkzeugschleiftechnik GmbH & Co. KG (hereinafter referred to as "Seller") concerning the sale and/or delivery of movable goods manufactured by or purchased from the Seller (hereinafter referred to as "Goods") by the Seller to the Customer, i.e. legal entities or natural persons acting in the exercise of their commercial or independent professional activity (Section I "Sale of Goods" and Section III "General Regulations"). They also apply to contracts between the Seller and the Customer in the context of the supply of spare parts and customer service for goods sold by the Seller (Section II "Spare Parts and Services" and Section III "General Regulations").
- (2) These General Terms and Conditions apply in the version valid at the time of conclusion of the contract. They also apply to all contracts to be concluded in the future between the Customer and the Seller for services within the meaning of paragraph 1, without the need for a reference to these Terms and Conditions or a separate agreement on their application in each individual case.
- (3) These General Terms and Conditions apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Customer shall only become part of the contract to the extent that the Seller has expressly agreed to the validity of these in writing or text form. This requirement of consent applies in every case, in particular even if the Customer makes reference to its general terms and conditions within the scope of an order and the Seller does not expressly reject this.

I. Sale of Goods

Section 2 Conclusion of a Purchase Contract

- (1) Quotations of the Seller as well as information in catalogs and other price lists of the Seller are non-binding. The ownership of price lists and other documents used to prepare a quotation remains with the Seller, as do any related rights of use and exploitation (in particular under the German Copyright Act).
- (2) A purchase contract for goods is concluded as soon as the Customer places an order on the basis of a non-binding quotation by the Seller and the Seller confirms this order in writing or in text form (e.g. by e-mail).

Section 3 Prices

- (1) The prices shown by the Seller are net prices. Any value-added tax incurred shall be charged to the Customer at the statutory tax rate applicable at the time.
- (2) If the Customer wishes the goods to be shipped by the Seller or a third party commissioned by the Seller, the Customer shall also bear the transport costs incurred for this ex warehouse and, if desired, the costs of transport insurance. Any customs duties, fees, taxes and other public charges for the shipment shall be borne by the Customer.

Section 4 Payments and Default in Payment

- (1) Immediately after conclusion of the contract and prior to delivery, the Seller is entitled to demand a reasonable down payment on the purchase price of up to 30 percent of the purchase price. This down payment is due for payment within 30 days of the Seller's request for payment. In addition, the Seller may demand a further partial payment of 60 percent of the purchase price, including any VAT incurred, as soon as the Seller indicates that the goods are ready for dispatch or collection (Section 4). This partial payment shall be due for payment upon collection or handover of the goods to a third party commissioned for the transport, but no later than within 14 days after notification that the goods are ready for dispatch or collection.
- (2) If the Seller does not request a down payment or other partial payment in accordance with Section 4 (1), the purchase price shall be due for payment in full within 30 days after conclusion of the contract.
- (3) If payments owed by the Customer under the above provisions (hereinafter collectively referred to as "Remuneration Payments") are not made on time and if the Customer defaults thereon, the Customer must pay interest on the respective amount owed at the default interest rate applicable to transactions between entrepreneurs. This shall not affect any further claims and rights of the Seller based on default.

Section 5 Rights of Retention and Set-off

- (1) If it becomes apparent to the Seller after conclusion of the contract that its claim to the purchase price, down payments or part payments as per Section 4 is at risk due to the Customer's inability to pay, it is entitled to refuse performance and, after setting a reasonable deadline for the provision of security without success, to withdraw from the contract. In the case of contracts for the production of non-fungible items (custom-made products), the Seller can withdraw immediately; the statutory provisions on whether a deadline can be dispensed with shall remain unaffected.
- (2) The Customer shall have no right of set-off against counterclaims or a right of retention unless these counterclaims are undisputed or legally recognized or were established in the same legal relationship.

Section 6 Delivery / Collection

- (1) The time for the delivery of goods or for the collection of goods (hereinafter uniformly referred to as "Delivery Deadline") shall be agreed between the Seller and the Customer. The Delivery Deadline is deemed to be met if the Goods to be delivered have left the Seller's works by the Delivery Deadline or – depending on the agreements of the parties – are made available for collection by the Deadline.
- (2) Adherence to agreed Delivery Deadlines presupposes the timely fulfillment of the Customer's cooperation obligations (e.g. obtaining the necessary permits). Delays in delivery and/or preparation for collection for which the Customer is responsible shall result in a reasonable extension of the Delivery Deadline, without the Customer being able to derive any rights from this. If additional costs are incurred by the Seller due to unsatisfactory delays for which the Customer is responsible, e.g. in the form of storage costs, the Customer is obliged to reimburse these.
- (3) If the Seller is unable to meet agreed Delivery Deadlines for reasons for which it is not responsible (non-availability of the service), it must inform the Customer of this immediately and, if possible, inform it of the expected duration of the delay and the expected new Delivery Deadline. Non-availability in this sense is deemed to exist in particular if the Seller is not supplied in time by its own suppliers, there is a congruent hedging transaction with these suppliers and neither the Seller nor the supplier is at fault. If the Seller is unable to provide the service owed before the expiry of the new Delivery Deadline, it has the right to withdraw from the contract in whole or in part. In this case, any payments already made by the Customer (particularly down payments) must be reimbursed immediately.
- (4) If the non-adherence to the agreed Delivery Deadlines is due to force majeure (in particular natural disasters), the Seller shall be released from the obligation to deliver for the duration and to the extent of the effects of force majeure. The Delivery Deadline shall be extended appropriately, but at least by the time during which delivery was not possible due to the force majeure. Other events over which neither of the parties has any influence and which lead to non-adherence to Delivery Deadlines, in particular operational disruptions for which neither party is responsible, pandemics, epidemics, strikes or other supply difficulties, shall be deemed equivalent to force majeure.

Section 7 Transfer of Risk; Default in Acceptance

- (1) Unless otherwise agreed, the Seller shall make the goods available for collection by the Customer at the place of manufacture. Upon provision, the risk of accidental loss and accidental deterioration of the goods shall pass to the Customer.
- (2) If the Seller and the Customer have agreed to ship the goods to another location at the Customer's request and expense, the risk of accidental loss and accidental deterioration shall pass to the Customer upon handover of the goods to a forwarding agent, carrier or other person commissioned to carry out the shipment. The Seller is free to choose the type and method of shipment (in particular the choice of packaging and the transport company), except as otherwise agreed with the Customer.
- (3) If the Customer is in default with the acceptance of the goods, if it fails to cooperate or if the shipment is delayed for other reasons for which the Customer is responsible, the Seller shall be entitled to claim the resulting additional expenses and damages from the Customer. The regulations on default of acceptance shall remain unaffected.

Section 8 Use of Software

- (1) Insofar as software is required for the use of the goods, the Customer shall be given the authorization to use the software in its business premises for the purpose of using the goods. The same applies to the use of any existing user manual. The other rights of use and exploitation of the software shall remain with the previous holder of the rights.
- (2) The Customer is not permitted to modify or remove any copyright or other proprietary notices contained in the software.
- (3) The creation of backup copies is only permitted if this is absolutely necessary to ensure the use of the software in the future. The Customer must mark such a backup copy with a copyright notice. Backup copies that are no longer required must be deleted or destroyed.
- (4) The Customer may resell the software only in connection with the resale of the Goods for whose use the software is required.
- (5) The above provisions shall also apply with regard to possible updates of the software by the Seller or third parties commissioned by the Seller.

Section 9 Retention of Title

- (1) The ownership of the Goods shall remain with the Seller until the purchase price has been paid in full (retention of title). The Customer is not entitled to sell Goods subject to retention of title to third parties, to pledge them or otherwise assign them as security without the Seller's consent.
- (2) The Customer shall inform the Seller without undue delay if third parties gain access to Goods subject to the retention of title by way of seizure, attachment or other actions. Furthermore, it shall immediately inform the third party of the existing property rights in favor of the Seller.
- (3) The Customer shall insure the Goods subject to the above retention of title at its own expense against fire, water, theft and other property damage. The Customer hereby assigns to the Seller any claims against third parties arising in favor of the Customer in the period until full payment for the Goods based on the damage or destruction of these or any other impairment of the Seller's title to the Goods, in particular insurance claims or claims against third parties arising from tort.
- (4) In the event of any breach of contract by the Customer, in particular in the event of default in payment, the Seller shall be entitled to demand the return of the Goods subject to retention of title. The right of withdrawal to which the Seller is entitled remains unaffected by this.

Section 10 Warranty

- (1) In the case of material defects and defects of title, the Customer shall be entitled to the warranty rights under commercial law, unless otherwise stipulated below.
- (2) If the delivered Goods are defective in quality, the Seller shall be entitled to choose whether to fulfill the Customer's claims for subsequent performance by rectifying the defect, i.e. by removing the defect, or by delivering a replacement, i.e. by delivering Goods free of defects. The right to refuse subsequent performance under the statutory conditions shall remain unaffected.
- (3) The Customer shall grant the Seller the time necessary for subsequent performance and the opportunity to identify the defect. Furthermore, it shall make the rejected Goods available and/or enable access to them in order for them to be inspected and the asserted claims assessed.
- (4) In the event of a defect of title to the Goods, the Seller shall grant the Customer the right to continue to use the Goods or shall modify the Goods in such a way that remedies the defect of title, thus enabling the Customer to use the Goods without infringing any rights. The Customer shall support the Seller in this to a reasonable extent and enable the actions to be taken.

The Seller shall also indemnify the Customer against possible undisputed or legally established claims of third parties based on the defect of title. In this regard, the Customer shall inform the Seller in a timely manner of the occurrence of a defect of title and any claims asserted by a third party.

The above rights in the case of a defect of title shall not exist if the defect of title is based on an instruction or cooperation on the part of the Customer. They shall also be excluded insofar as the Customer has modified the purchased item without authorization or has used it in a manner not conforming to the contract.

- (5) The Customer is obliged to inspect the Goods for possible defects immediately after delivery. In the case of Goods that are intended for incorporation into other items or for any other further processing, such inspection must always take place immediately before processing. If a defect that was not previously apparent becomes apparent at a later point in time, the Customer must notify the Seller of this defect without delay. Defects discovered during the above inspections must be reported immediately to the Seller in text form (e.g. by e-mail). If the Customer does not comply with the aforementioned inspection obligation or does not do so in a timely manner, the warranty rights shall be excluded.

- (6) The Customer's warranty rights shall lapse if it modifies the Goods or has them modified without the Seller's consent and this makes it impossible or unreasonably difficult to remedy the defect. The Customer shall in any case reimburse any additional costs of remedying the defect incurred by the modification of the Goods.
- (7) The warranty period is generally one year from the transfer of risk, unless the Goods are a building structure or items that have been used for a building structure in line with their customary use and have caused the building structure to be defective. Furthermore, the time limit shall not apply to claims for damages by the Customer arising from injury to life, body or health or from an intentional or grossly negligent breach of duty by the Seller, its legal representatives or vicarious agents. These claims shall become statute-barred as shall claims under Section 438 (1) No. 1 of the German Civil Code (BGB) in accordance with the statutory provisions.
- (8) If the Customer resells the goods to a third party, the statutory provisions on supplier recourse shall apply in deviation from the above provisions.

II. Spare Parts and Services

Section 11 Spare Parts

The provisions set forth in Section I "Sale of Goods" apply analogously to spare parts provided and transferred to the Customer within the scope of fulfilling any warranty claims, within the scope of individual orders or in connection with services.

Section 12 Agreement on Services

- (1) Services within the meaning of this section are deemed to be services aimed at repair, maintenance or modification of the Goods sold by the Seller (hereinafter uniformly referred to as Work), which the Seller renders to the Customer after delivery of the Goods and outside any warranty.
- (2) The commissioning of services is governed by the provisions for concluding a purchase of goods in accordance with these General Terms and Conditions (Section 2) and the following supplementary provisions.
- (3) In quotations for services, the prices for (replacement) parts used as well as other necessary materials and special services shall be shown together with prices for labor, travel and transport costs. The prices shown are net prices. Any value-added tax incurred shall be charged to the Customer at the statutory tax rate applicable at the time.
- (4) Services that go beyond the agreed services, in particular expenses resulting from modified performance specifications or for supplementary services that have become necessary or for complications for which the Customer is responsible, shall be remunerated separately according to expenditure.
- (5) The Seller is entitled to demand an appropriate down payment immediately after conclusion of the contract and prior to provision of the agreed services.
- (6) Subject to other agreements in individual cases, Remuneration Payments shall be payable to the Seller within 14 days from the date of issue of a corresponding invoice. If Remuneration Payments are not made on time, the Customer shall pay interest on the amount owed at the default interest rate applicable to transactions between entrepreneurs. This shall not affect any further claims and rights of the Seller based on default.
- (7) If it becomes apparent to the Seller after the conclusion of the contract that its claim to the agreed remuneration for services or the amount owed as a down payment is at risk due to the Customer's inability to pay, the Seller shall be entitled to refuse performance and, after setting an appropriate deadline, to withdraw from the contract.
- (8) The Customer shall have no right of set-off against counterclaims or a right of retention unless these counterclaims are undisputed or legally recognized or were established in the same legal relationship.

Section 13 Performance of the Services

- (1) The type and scope of the services to be provided by the Seller shall be governed by the agreements made between the parties. The services shall be performed within the periods agreed between the parties.
- (2) The Customer shall ensure that the Seller is able to perform the services delegated to it properly and in due time. In particular, the Customer shall therefore inform the Seller of any location-specific conditions or technical peculiarities and provide the necessary access. Delays in the services for which the Customer is responsible shall result in a reasonable extension of the agreed deadlines for the provision of the service (hereinafter referred to as the Delivery Deadline), without the Customer being able to derive any rights from this. If additional costs arise for the Seller due to insufficient cooperation or delays for which the Customer is responsible, the Customer shall be obligated to compensate the Seller for such costs.

(3) If the Seller is unable to provide agreed services in a timely manner for reasons for which the Seller is not responsible (non-availability of the service), the Seller shall inform the Customer thereof without undue delay and, to the extent possible, inform the Customer of the expected duration of the delays and the expected new Delivery Deadline. Non-availability in this sense is deemed to exist in particular if the Seller is not supplied in time by its own suppliers, there is a congruent hedging transaction with these suppliers and neither the Seller nor the supplier is at fault. If the Seller is unable to provide the service owed by the expiry of the new Delivery Deadline, it has the right to withdraw from the contract in whole or in part. In this case, any payments already made by the Customer (particularly down payments) must be reimbursed immediately.

(4) If the non-adherence to the agreed Delivery Deadlines is due to force majeure (in particular natural disasters), the Seller shall be released from the obligation to deliver for the duration of and to the extent of the effects of the force majeure. The Delivery Deadline shall be extended appropriately, but at least by the time during a service was not possible due to the force majeure. Other events over which neither of the parties has any influence and which lead to non-adherence to Delivery Deadlines, in particular operational disruptions for which neither party is responsible, pandemics, epidemics, strikes or other supply difficulties, shall be deemed equivalent to force majeure.

Section 14 Acceptance

- (1) After performance of the services, the Customer shall accept the Work at the place of performance of the services, provided that there are no material defects. Acceptance is not required if this is impossible due to the nature of the work. If the Customer does not attend the date for acceptance, the Work shall be deemed to have been accepted.
- (2) A record of the acceptance shall be drawn up and signed by the contracting parties.

Section 15 Warranty

- (1) If the Work performed within the scope of the services is defective, the Customer shall be entitled to the statutory warranty rights. The warranty period in this case is generally one year, unless the defective Work is a building structure or a Work the success of which lies in the provision of planning or monitoring services for this building structure. Furthermore, the warranty period shall not apply to defects in items which have been installed in a building construction as intended and which have caused the defectiveness of this building construction, nor shall it apply to claims for damages of the Customer arising from injury to life, body or health or from an intentional or grossly negligent breach of duty on the part of the Seller, its legal representatives or vicarious agents. These claims shall become statute-barred in accordance with the statutory provisions.
- (2) If the Customer does not reserve its rights based on a defect when it accepts the Work, it shall not be entitled to any warranty rights.

III. General Regulations for the Business Relationship

Section 16 Liability

- (1) The Seller's liability for damages is limited in accordance with the following provisions.
- (2) The Seller is only liable for damages if these have been caused by grossly negligent or intentional conduct on the part of the Seller, its legal representatives or vicarious agents.
- (3) The limitation of liability under paragraph 2 does not apply, however, insofar as it concerns damages arising from culpable, i.e. negligent or intentional, injury to life, body or health by the Seller, its legal representatives or vicarious agents.
- (4) The limitation of liability pursuant to paragraph 2 does not apply either to claims for damages under the German Product Liability Act, to claims arising from the breach of the assurance of a certain quality of the item, in the event of concealment of a defect and in the event of culpable, i.e. negligent or intentional, breach of material obligations under a contract by the Seller, its legal representatives or vicarious agents. Material obligations in this sense are those which enable the contract to be properly implemented in the first place and upon compliance with which the contractual partner regularly relies and should be able to rely.
- (5) If the Seller is liable under paragraph 4 for the breach of material contractual obligations, its liability shall be limited to the reasonably foreseeable damage typical for a contract of this kind. Indirect damage as well as consequential damage resulting from material defects shall furthermore only be compensated to the extent that such damage could typically be expected when the item is used as intended.

Section 17 Confidentiality; Labeling

- (1) The Seller and the Customer are obliged to treat as confidential any information about the business relationship, the respective other party and its employees, which is labeled as confidential or the confidential nature of which becomes apparent in any other way, and not to disclose such information to third parties or make it accessible to third parties without authorization. An exception to this is the transfer or disclosure of such information to persons professionally bound to secrecy (in particular lawyers, tax advisors and auditors) who require this information to perform their duties, as well as the transfer or disclosure thereof on the basis of statutory provisions, legally binding or final judicial or official orders.
- (2) The Customer is not permitted to remove or change type plates, device numbers or other marks of origin on the goods. The Customer is in particular prohibited from affixing such markings to the goods that could give the impression that they are the Customer's own goods.

Section 18 Severability Clause

If individual provisions of these General Terms and Conditions are ineffective, become ineffective or prove to be ineffective, this shall not prejudice the effectiveness of the remaining clauses. The ineffective provision shall be replaced by a provision that comes closest to the intended economic purpose pursued by the parties. The same applies in the event that these General Terms and Conditions are ineffective.

Section 19 Applicable Law, Place of Jurisdiction

- (1) The law of the Federal Republic of Germany applies to all legal relationships between the Seller and the Customer with the exception of the UN Convention on Contracts for the International Sale of Goods.
- (2) The place of jurisdiction is the court responsible for the registered office of the Seller, provided that the Customer is a merchant, a legal entity under public law or a special fund under public law. The Seller is, however, entitled to bring an action at the Customer's place of business.