

## General Conditions of Sale (GTC Sales)

### 1. General Conditions

1.1 As for the legal relations between Gawronski (in the following called "Supplier" or "We") and the customer regarding the supplier's deliveries and/or performances (in the following called "Deliveries"), these provisions shall exclusively apply. The customer's General Terms of Business are effective to that extent only as the supplier has them expressly accepted in writing. As regards the scope of delivery, the bilateral unanimous written declarations are decisive.

1.2 The supplier absolutely reserves his property rights, copyrights as well as utilization rights of quotations, drawings and other records (in the following called "Records"). The records are allowed to be accessible to Third Parties after the supplier's prior consent. They have to be immediately returned to the supplier on his demand if the order has not been placed. The customer does not have the right retaining copies or duplicates of the supplier's records. The sections 1 and 2 are likewise effective for the customer's records, but these are allowed to be made accessible to those Third Parties, whom the supplier has assigned deliveries to by permission.

1.3 Partial deliveries are admitted as far as they are reasonable to the customer.

### 2. Conclusion of contract

2.1 The supplier' contractual quotations are subject to change.

2.2 As for the scope of the performance owed by contract, the supplier's order confirmation is exclusively decisive.

2.3 The records the quotation or the order confirmation such as illustrations, drawings, specified dimensions and weights are basically for orientation only, if they have not been expressly declared binding.

### 3. Prices, terms of payment and offset

3.1 The prices are ex works exclusively packing plus the current legal VAT.

3.2 If the supplier is in charge for assembly and installation and nothing else has been agreed upon, then the customer pays, besides the agreed remuneration, all the required additional costs such as travel and transport expenses.

3.3 Payments have to be made to the supplier's designated account.

3.4 The customer is entitled to rights of offset and retention only insofar as his claim has been finally determined and legally recognized. In case of defects of the delivery, the reciprocal rights of the customer, in particular the under subparagraph 7 of these General Terms of Business remain unaffected.

### 4. Reservation in title

4.1 We reserve the property of the sold goods until all our actual and future claims arising from the purchase contract and any current business relation (secured claim) have been paid.

4.2 The goods under reservation in title must neither be seized nor assigned for security to Third Parties before the secured claims have been paid. The customer shall inform us immediately in writing when the opening of insolvency proceedings has been filed or as far Third Parties take access to the goods belonging to us (f. ex. seizures).

4.3 In case that the customer acts contrarily to the contract, in particular non-payment of the due purchase price, we are entitled to withdraw from the contract and/or to claim the return of the goods due to the reservation in title. The claim of possession does not mean at the same time the notice of withdrawal, as we are

rather entitled to merely claim possession of the goods, but reserve the withdrawal. If the customer does not pay the purchase price, then we are allowed to reinforce these rights only if we had unsuccessfully set a reasonable time limit to the customer for payment before or such time limit is unnecessary by legal provisions.

4.4 The customer is entitled until revoked according to (c) below to resale and/or process the goods under reservation in title by ordinary course of business. In this case, the below regulations apply in addition:

a. The reservation in title applies to the products made by processing, mixing or combining our goods at their full value. Doing so we shall become the manufacturer. If, by processing, mixing or combining with goods of Third Parties their reservation of title is maintained, then we acquire co-ownership proportionally to the invoiced values of the processed, mixed and combined goods. As for the rest, the same applies for the made product as for the goods delivered under reservation in title.

b. The claims arising from the resale of the goods or product against Third Parties, the customer cedes already now in total or amounting to our possible share of co-ownership for security according to the foregoing section. We accept the ceding. The customer's obligations described in section 2 are also effective in respect to the ceded claims.

c. In addition to us the customer remains entitled to collection of a claim. We feel obliged not to collect the claim as long as the customer honours his financial commitment against us, no defect of his performance occurs and we do not claim the reservation in title by executing a right according to section 3. But if this is the case, we may demand that the customer reveals to us the ceded claims and their debtors as well as all the details for collection and submits the relevant records as well as informs the debtors (Third Parties) about the ceding. In addition, in this case we are empowered to revoke the authorization of the customer to resale and processing of the goods under reservation in title.

d. If the realizable value of the securities exceeds our claims by more than 10 (ten) percent, then we replevy securities in our discretion on the customer's demand.

### 5. Deadlines for deliveries, delay

5.1 Meeting deadlines for deliveries requires the due receipt of all the records to be submitted by the customer, necessary permits and approvals, in particular of layouts as well as observing the agreed terms of payment and other obligations by the customer. If these pre-requisites are not fulfilled in time, then the deadlines reasonably prolong. This condition does not come into effect if the supplier has caused such delay.

5.2 If the non-observance of the deadlines due to:

a) Force Majeure (f. ex. war, acts of terror, strike etc.).

b) Cyber and other attacks of Third Parties to the supplier's IT-system as far as such attacks were executed despite due care and attention exercised with such protective measures.

Delayed or improper delivery of the supplier, we are not to be blamed for, prolong reasonably the deadlines.

5.3 If despatch or shipment are delayed on customer's demand by more than 1 (one) month after indication of readiness for despatch, the customer may be invoiced for each commencing month with a storage charge amounting to 0.5 percent of the price of the objects to be delivered, but not higher than totally 5 (five) percent. The contractual parties are free to give evidence of higher or lower storage charges. In case of evidence of higher or lower storage charges, the higher or lower ones can be claimed at best.

## 6. Passing of risk

6.1 The risk will also pass to the customer, even with freight-free shipment, in the following way:

- a. With delivery, but no assembly or installation, if despatched or collected. On customer's requirement and costs for the shipment from the supplier ensured against the usual transport risks.
- b. With delivery, assembly or installation at the day of acceptance in his own company or, if agreed upon, after acceptance.

6.2 If the despatch, delivery, begin, realization of the assembly or installation, acceptance in his own company or test run are delayed by reasons the customer is responsible for, or the customer gets in default of acceptance, then the risk passes over to the customer.

## 7. Installation and start-up

As for the installation and start-up, the following conditions apply if nothing else has been agreed upon in writing:

7.1. The customer shall, at his costs, perform and make available in time the following items:

- a. All the earth, construction and other foreign-to-the-trade extra works including the skilled and auxiliary staff, construction material and tools required for such works.
- b. The equipment, consumables and substances for the installation and start-up, such as scaffolds, hoisting units and other fixtures, fuels and lubricants.
- c. Energy and water supplies on-site including connectors, heating and lighting.
- d. On the installation site: Sufficiently large, dry, proper and lockable rooms for storage of the machine parts, components, materials, tools, etc. For the installation staff: Proper working and day rooms as well as sanitary and cloak rooms suitable for the circumstances. Moreover, the customer takes the adequate measures for the protection of the property of the supplier and his installation staff on the construction site, i.e. the same ones he would take for his own property.
- e. Protective gears and equipment those are required due to the special conditions on the installation site.

7.2 Before start of the installation works, the customer unsolicitedly makes the required details or the layout of subsurface laid power, gas, water lines or similar installations as well as the necessary static specification available.

7.3. Before start of the installation or assembly, all the required supplies and objects for the begin of the works must be available at the installation or assembly site. All the preparatory works have to be advanced that far before installation that the installation or assembly can be started as agreed and without any break. The approach ways to the installation or assembly site must be even and free.

7.4. If the installation, assembly and start-up are delayed by conditions the supplier is not responsible for, then the customer pays to reasonable extent the costs for waiting time and additional travels of the supplier or his installation staff.

7.5. The customer gives evidence of the working hours of the installations staff on a weekly basis to the supplier as well as informs him immediately on the termination of the installations, assembly or start-up.

7.6. If the supplier demands after completion the acceptance of the delivery, then the customer shall do so within 2 (two) weeks. The acceptance is deemed to be effected if the customer gets the 2-week deadline elapsed and he has not rejected the acceptance within this deadline indicating at least one defect, or if the delivery, should the need arise after termination of an agreed test phase, has been taken into operation.

## 8. Claims arising from a defect of the customer

(8.1) As regards the customer's rights concerning material deficiencies and deficiencies in title (including misdelivery as well as inappropriate assembly and improper assembly instructions) the

legal provisions shall apply if nothing else is stipulated in the following. In any case, the legal special provisions remain unaffected with the final delivery of the non-processed goods to a consumer, even that consumer has re-processed those goods (supplier's recourse according to §§ 478, German Civil Law Code). Claims resulting from supplier's recourse are excluded, if the defective goods were re-processed by the customer or other entrepreneur, f. ex. by assembly into another product.

8.2 Our liability for defects is based, above all, on the agreement of the condition of the goods. Agreements on the condition of the goods are all the product descriptions those are object of the individual contract or made public by us (in particular in catalogues or on our internet homepage).

8.3 Insofar the condition has not been agreed upon, the existence of a material defect is to be assessed on basis of the legal provisions (§ 434, section 1, pages 2 and 3, German Civil Law Code). We do not accept, however, any liability for public statements of the supplier or other Third Parties (f. ex. advertising statements).

8.4 The claims arising from a defect of the customer assume that he has fulfilled his legal inspection duties and requirement to give notice of defects (§§ 377, 381, German Commercial Code). If, with the delivery or during the inspection or at any later date, a defect is detected, then we shall be immediately informed in writing. In any case, obvious defects are to be indicated in writing within seven workdays from the date of delivery, whilst those defects, which could not be detected during inspection are to be indicated in writing within seven workdays from the date of detection. If the customer misses the due inspection and/or notice of defects, then our liability shall be excluded for the not or not duly or not properly indicated defect according to the legal provisions.

8.5 If the delivered object is defect, then we, at first, have the choice whether we provide subsequent performance by elimination of the defect (rectification) or through delivery of a defectless object (substitute delivery). Our right to reject subsequent performance remains unaffected under the legal preconditions.

8.6 We are entitled to make the owed subsequent performance dependent on the customer's payment of the due purchase price. The customer, however, is entitled to retain a reasonable portion of the purchase price in relation to the defect.

8.7 The customer shall grant us the time and opportunity for the owed subsequent performance, in particular, to hand-over the complained-about goods for inspection purpose. In case of substitute delivery the customer has to return the defective goods to us according to the legal provisions. The subsequent performance covers neither the disassembly of the defect object nor the re-assembly if we originally were not obliged for assembly.

8.8 We pay or reimburse the expenses required for the purpose of subsequent performance, in particular costs for transport, travel, work and materials as well as, if agreed so, the costs for disassembly and re-assembly according the legal provisions, if a defect has really occurred. Otherwise, we may demand the customer to reimburse us those costs arising from the unjustified requirement for defect elimination (in particular, inspection and transport expenses), unless the missing defect the customer was unable detecting.

8.9 In urgent cases, f. ex. with endangered operational safety or for the defence of unusually damages, the customer is entitled to remedy the defect by him and to demand from us reimbursing the expenses objectively required for that purpose. The customer shall immediately inform us on such self-remedy, as far as possible in advance. The right of self-remedy does not apply if we would be entitled to reject a corresponding subsequent performance according to the legal provisions.

8.10 If the self-remedy has failed or a reasonable deadline to be set by the customer has unsuccessfully elapsed or is dispensable according to the legal provisions, the customer may withdraw from the contract or reduce the purchase price. Minor defects, however, do not justify the right of withdrawal.

8.11 The customer's claims for compensation or reimbursement for wasted expenditure shall exist also with those defects, but restricted to the conditions of section 9, and are apart from that excluded.

## 9. Other liability

9.1 Insofar these General Terms of Business including the following provisions do not determine anything else, we are liable for violations of contractual and extra-contractual obligations according to the legal provisions.

9.2 We are liable for compensation - for any legal reason whatsoever - in the frame of liability for fault in case of intention or gross negligence. With simple negligence we are liable subject to a less severe liability criterion according to the legal provisions (f. ex. diligence for our own matters) only

a) for damage from injuries of life, body or health,

b) for damages due to violation of an substantial contractual obligations (obligation, the performance of which enables the correct execution of the contract at all and the fulfilment of which the customer ordinarily relies on and may rely on). In this case, however, our liability is limited to compensation of the foreseeable, typically occurring damage.

9.3 The limitations of liability resulting from section 2 apply also with breaches of duty by or in favour of persons whose fault we are responsible for according to the legal provisions. The limitations do not apply insofar we have fraudulently concealed or accepted a guarantee for the condition of the goods, and to claims of the customer according to the product liability act.

9.4 The customer may withdraw or give notice by reason of breach of duty only if that reason does not represent a defect and if we are responsible for such breach of duty. A free right of notice of the customer (in particular according to §§ 650, 648, German Civil Law Code) is excluded. Otherwise the legal provisions and legal consequences shall be effective.

## 10. Limitation period

10.1 Deviating from § 438, section 1, no. 3, German Civil Law Code, the general limitation period for claims resulting from material deficiency and deficiency in title amounts to 1 (one) year from the date of delivery. As far as an acceptance is agreed upon, then the limitation period begins with the date of acceptance.

10.2 If the goods, however, are a building or an object, which has been used for a building according to its usual application and the building or object caused defectiveness (building material), then the limitation period amounts to 5 (five) years from delivery (§ 438, section 1, no. 2, German Civil Law Code). Further legal special provisions regarding the limitation period (particularly § 438 section 1, no. 1, section 3, §§ 444, 445 b, German Civil Law Code) remain unaffected as well.

10.3 The foregoing limitation periods of the purchase right apply also to contractual and extra-contractual compensation claims of the customer, which are due to a defect of the goods, unless the application of the ordinary legal limitation period (§§ 195, 199, German Civil Law Code) would shorten the limitation period in an individual case. The customer's compensation claims according to sub-paragraph 9, sections 2, clauses 1 and 2(a) and the product liability act become statute-barred exclusively according to the legal limitation periods.

## 11. Commercial protective rights and copyrights, deficiencies in title

11.1. If not otherwise agreed upon, the supplier is obliged providing the delivery in the country of the place of destination of the delivery free of protective rights and copyrights of Third Parties only (in the following called "Protective rights). Insofar a Third Party raises justified claims due to infringement of protective rights against the customer regarding used deliveries provided by the supplier under contract, the supplier is liable against the customer within the period of time determined in section 10.1. as follows:

a. The supplier either obtains a right of use for the respective deliveries in his discretion at his expense and adapts them in such way that the protective right is not infringed or replaces them. If the foregoing the supplier cannot realize under reasonable conditions, the customer may make use of the legal rights of withdrawal or reduction.

b. The supplier's obligation for compensation is ruled section 9.

c. The above mentioned supplier's obligations apply only, insofar the customer immediately informs in writing the supplier about the claims raised by Third Parties, does not accept the infringement and all the defence reactions and settlement negotiation remain reserved to the supplier. If the customer cancels the use of the delivery on grounds of reduction of damage or other important reasons, the customer is obliged to inform the Third Party accordingly that the suspension of use does not mean an industrial property right infringement.

11.2. Customer's claims are excluded insofar he is responsible for the industrial property right infringement.

11.3. In addition, customer's claims are also excluded insofar the industrial property right infringement is due to special stipulations of the customer and an application the supplier was unable foreseeing or which is caused by the condition that the customer changes the delivery or the delivered goods are combined with products that have not been delivered by the supplier.

11.4. In case of industrial property right infringements, the customer's claims ruled in subparagraph 11.1. apply accordingly.

11.5 If respective deficiencies in title exist, the stipulations of section are effective accordingly.

11.6. Further and other claims of the customer, deviating from the ones ruled in this subparagraph 9, against the supplier and his vicarious agents due to a deficiency in title are excluded.

## 12. Final provisions

12.1. The exclusive court of jurisdiction is, if the customer is a businessman, for all the disputes arising directly or indirectly from the contractual relation the supplier's domicile in Neuhausen a.d. Fildern. The supplier is also entitled to file a suit at the customer's domicile.

12.2. This contract including its interpretation is subject to German Law. The agreement of the United Nation on contracts regarding the international purchase of goods (CISG) is excluded.

12.3. If individual or several clauses of these provisions are ineffective or become ineffective, the other provisions shall remain valid. In such case, the stipulation that became ineffective or the ineffective one is substituted by the legal provision. The same shall be applicable in case of a gap.