

General Terms and Conditions of Delivery and Service

of

HAUG GmbH & Co. KG

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I. Application; Offers; Contract Conclusion; Principal's Duty to Advise

1. These General Terms and Conditions of Delivery and Service (hereinafter referred to as "Terms") shall apply to all – even future – contracts for deliveries and other services between HAUG GmbH & Co. KG (hereinafter referred to as "We" or "Us") and any principal who is an entrepreneur (sect. 14 BGB (German Civil Code)), a legal entity under public law or a special fund under public law. We do not acknowledge any conflicting or differing terms and conditions of the Principal, unless We explicitly consented in writing to their application. We herewith object to any terms and conditions of the Principal, including in the event that these are transmitted to us in any letter of confirmation or otherwise or we perform any deliveries or services without reservation towards the Principal or we accept any services of the Principal without reservation without objecting to the Principal's terms or conditions once again.
2. Our offers shall be subject to change. Any agreements, in particular verbal side agreements, commitments, guarantees and other assurances by our employees, shall become binding only by our written confirmation. The actual supply of ordered goods or provision of commissioned services, our other behaviour or silence shall not give rise to any confidence by the Principal in the conclusion of the contract. Written form shall be deemed observed by transmission by telefax or e-mail.
3. The contract shall come into effect after placement of the Principal's order with receipt of our written order confirmation at the Principal's.
4. Before any contract is concluded, the Principal has to advise us in writing in case that the goods to be delivered are not exclusively suitable for ordinary use or in case that the goods are subject to any conditions that are unusual or pose a risk to health or security or require any more demanding use. Moreover, the Principal has to advise us in writing of any atypical possibilities of damage or levels of damage in relation to the contract.

5. We may also resort to third parties when performing our tasks, but shall remain responsible towards the Principal for the proper performance of the contractual duties.

II. Scope of Services

1. We shall owe the Principal the performance of any deliveries and services that have been explicitly described in our written order confirmation. The parties may modify, amend or concretise the scope of services at any time by mutual agreement. We shall then submit a corresponding supplementary offer and, after acceptance, a new order confirmation to the Principal. We shall not be obliged to render any services that have not been specified in our order confirmation or in these Terms.
2. In addition, we shall offer the Principal to provide advisory support to the Principal regarding application technology or the Principal's demand. In doing so, however, we shall only provide support and advice. The Principal shall remain fully responsible for the accurate and complete assessment of the Principal's demand or usability of the goods in the Principal's business.

III. Prices; Terms of Payment

1. Unless otherwise agreed in writing, our prices shall be in euros, ex works or sales branch, exclusive of packaging, in each case plus the statutory VAT in the amount applicable upon conclusion of the contract.
2. A minimum quantity surcharge of EUR 25.00 shall be owed for any invoice amount less than EUR 250.00.
3. Any packing cases shall be billed at the lowest possible price and, when returned free of charge in good condition with any and all packaging materials within 30 days from delivery, credited at 2/3 of the amount billed. Any cardboard packaging shall not be refunded.
4. Shipping and handling will be charged separately.
5. Unless otherwise agreed in writing, payment is to be effected to our account without any deduction, hence strictly net within 30 days from date of invoice. For any order value exceeding EUR 15,000.00 per facility and any delivery time of more than three months, 1/3 of the invoice amount shall be due for payment as down payment after receipt of the order confirmation, 1/3 of the invoice amount halfway through the agreed delivery time and 1/3 of the invoice amount upon delivery.

6. The time the money is credited to our account shall prevail at all times. The Principal shall be in default 10 days after the due date of the receivables at the latest, without any notice of default being required. If the payment term is exceeded, from occurrence of default at the latest, we shall be entitled to charge interest in the amount of 9 percentage points above the basic rate of interest. The assertion of any further damage caused by default shall remain reserved.

7. We reserve the right to change our prices appropriately at reasonable discretion if any price-relevant cost decreases or increases occur after conclusion of the contract, especially due to any collective bargaining agreements being concluded or any material or energy prices being changed. We will make use of this right, in particular, if the period between the initial calculation and the time of performance exceeds four months. Where any costs, e.g. for products of third-party providers, are decreased, we shall be entitled to reduce the prices, unless these cost decreases are compensated for, in whole or in part, by any increases in other areas. Any increases in prices, e.g. for products of third-party providers, may be used by us for any increase in costs only to the extent that these are not compensated for by any decreases in costs in other areas. When exercising our reasonable discretion, we shall effect any change in price at such time that any decreases in costs will not be taken into account on the basis of any criteria more unfavourable for the Principal than any increases in costs. We shall advise the Principal of each change in price in good time in writing before the changed prices become effective. Where any price is increased retrospectively, the Principal may terminate the contract in writing, but only within two weeks from the time at which the Principal has been advised of the increase in price.

IV. Set-Off; Retention; Defence of Insecurity

1. The Principal shall not be entitled to offset against our claims, except if the counterclaim is uncontested or has been finally and non-appealably established. Furthermore, the Principal shall not be entitled to withhold payments or to suspend any other duties incumbent upon the Principal, unless we have essentially breached any duties due from the same contractual relationship despite a written warning notice and failed to offer any reasonable safeguard. Sect. 215 BGB shall not be applicable. The Principal's counter-rights shall remain affected by any defects in delivery or service.

2. To the extent that our claim for payment appears to be jeopardised as a result of any circumstances occurring after the conclusion of contract due to which there is reason to fear any essential deterioration in the Principal's assets from our perspective, we shall be entitled to declare any outstanding receivables immediately due. If the Principal is in arrears with any payment that is indicative of our receivable being jeopardised from our perspective, we shall be entitled, in addition, to take back any goods already delivered, to enter the Principal's business, where appropriate, and to take away the goods. Moreover, we may prohibit any further processing of the goods delivered. This shall not apply if the Principal is not responsible for the arrears with payment. Taking back such goods is no withdrawal from the contract. We may demand advance payment for any deliveries or services still outstanding in both cases. The Principal may avert all these legal consequences by providing collateral in the amount of our jeopardised claim for payment. We may claim collaterals customary in terms of nature and scope for our receivables, also to the extent that these are conditional or limited in time. The legal regulations on default in payment shall remain unaffected.

V. Delivery Periods and Dates; Default

1. Delivery periods and dates shall apply only approximately, unless we have expressly referred to them in writing as binding. Any binding delivery periods shall commence after all documents relevant for executing the order have received and, where appropriate, any material has been provided and any agreed down payments have been made in due time. Other than that, any agreed delivery periods shall commence on the date of our written order confirmation.
2. If the Principal fails to perform at all or in good time any cooperation duties incumbent upon the Principal, including supplying documents, providing materials, effecting down payments or the like, we shall be entitled to reasonably extend any agreed delivery periods and dates according to the needs of our production and operating procedure, without prejudice to our rights from any default of acceptance by the Principal.
3. Any delivery periods and dates have been complied with where the subject-matter of delivery has left our business by the time they expire. If the goods cannot be dispatched in due time or are not called off by the Principal in good time without our fault, the periods and dates shall be deemed to be complied with upon notification of readiness for dispatch.
4. Our delivery obligation shall be subject to correct and timely self-supply, unless we are responsible for the incorrect or delayed self-supply.

5. We shall not be liable for any impossibility of or delay in the provision of services to the extent that it was caused by force majeure or any other events not foreseeable upon conclusion of the contract (e.g. operational disruptions of all kinds, mobilisation, war, turmoil, strike, road accident, natural disasters, sabotage, pandemic, epidemic, quarantine, interventions and measures by sovereigns or authorities, as well as any other comparable events) for which We are not responsible. Where the performance of the deliveries or services owed by us is hampered by or impossible due to such events and such impediment is not only temporary, we shall be entitled to withdraw from the contract. Where any impediments are only temporary, the periods agreed for the performance of such deliveries and services shall be extended or the respective dates shall be postponed by the period of impediment plus a reasonable restart period. To the extent that the Principal cannot be expected to accept the delivery or service as a result of such delay, the Principal may withdraw from the contract by giving prompt written notice to us.
6. If We are in default, the amount of damages due to default shall be limited to 0.5% for each full week of delay, capped at 5% of the value of the belated part of the performance. The Principal shall retain the right to prove that any higher damage was incurred. We shall retain the right to prove that no or significantly lower damage was incurred.
7. Once a reasonable grace period of at least two weeks set by the Principal in writing has expired, the Principal may withdraw from the contract, unless the goods have been dispatched or reported as ready for dispatch or the service has been rendered by the end of the grace period. The same shall apply if delivery of the goods or performance of the services becomes impossible due to any reasons for which we are responsible. We shall notify the Principal of the occurrence of any unforeseen event without delay and shall communicate any period of subsequent performance.
8. The Principal shall not have any farther-reaching rights due to default. Any recourse to any other bases for claims, including, in particular, of a non-contractual nature, shall be excluded.

VI. Retention of Title

1. Title to all goods delivered shall remain with us until any and all receivables against the Principal from the business relationship for any legal reason whatsoever, including any conditional receivables or receivables arising in future, have been settled (hereinafter referred to as "Retained Goods").

2. Any reworking and processing of the Retained Goods shall be made for us as manufacturers in terms of sect. 950 BGB, without any obligation on our part. The processed goods shall be regarded as Retained Goods in terms of cl. VI/1. Where the Principal processes, combines or intermixes the Retained Goods with any other goods, co-title to the new thing shall be due to us in proportion to the invoice value of the Retained Goods to the invoice value of the other goods used. In the event that our title expires by any combination or intermixture, the Principal shall already transfer to us now the titles due to the Principal to the new stock or the thing to the extent of the invoice value of the Retained Goods and shall retain them free of charge and in a fiduciary capacity for us. The resulting co-titles shall be regarded as Retained Goods in terms of cl. VI/1.
3. The Principal may alienate the Retained Goods only in ordinary business transactions under the Principal's normal terms and conditions and unless the Principal is in default. The Principal shall not be entitled to otherwise dispose of the Retained Goods, in particular to re-assign, pledge or assign our retention rights to third parties once again.
4. The Principal's receivables against the Principal's buyers from any re-alienation of the Retained Goods shall already be assigned to us now in the amount of the invoice value of the Retained Goods. This shall also apply in case of any re-alienation after processing in terms of cl. VI/2. We herewith accept the assignments. The advance assignment shall also cover all surrogates for the Retained Goods, e.g. receivables against third parties (insurance, at-fault parties) due to any loss of, destruction of or damage to the Retained Goods.
5. The Principal shall be entitled to collect in a fiduciary capacity any receivables from the re-alienation pending our revocation, which shall be admissible at any time. The Principal shall be obliged to advise the Principal's buyers of the assignment to us without delay upon our request and, unless we do it ourselves, to provide us with the information and documents required for such collection.
6. The Principal must notify us in writing of any effected or impending attachment or any other impairment of our Retained Goods by third parties without delay and mark our retained title as such.
7. If the value of any existing collaterals exceeds the collateralised receivables by more than 10% altogether, we shall be obliged to release collaterals at our option in this respect at the Principal's written request.

8. Where the retention of title rights are ineffective or unenforceable under the law applicable in the area where the goods are located, the collateral corresponding to the retention of title shall be deemed agreed in this area. The Principal shall already assure Us now of taking all measures and rendering any contribution required to establish and preserve any comparable rights or collaterals.

XII. Execution of Deliveries; Passing of Risk

1. Unless otherwise agreed in writing, any goods shall be delivered EXW (Ex Works – Incoterms 2020) from our factory or sales branch. We shall arrange for any insurance only at the Principal's written instruction and expense.
2. We shall be entitled to perform partial deliveries to the extent that these are reasonable for the Principal.
3. Risk shall pass to the Principal upon delivery (EXW, see cl. XII. 1). This shall also apply to any partial deliveries and even if we have assumed any other services, e.g. set-up or installation. To the extent that any acceptance has to be effected, risk shall pass under the legal regulations.

XIII. Warranty; Duty to Inspect and to Give Notice of Defects

1. The goods shall be materially defective if the Principal proves that, at the time risk passes, they noticeably differ from the nature, quantity and quality agreed in our written order confirmation. Failing such an agreement, the defectiveness of the goods shall be assessed according to the benchmark of the DIN and EN standards applicable upon conclusion of the contract or, failing these, according to practice and custom. Any references to standards and similar sets of rules as well as any indications on qualities, types, dimensions, weights and usability of the goods, indications in drawings and illustrations as well as statements in advertising media shall not be assurances or guarantees, unless they have been explicitly referred to as such in writing. The same shall apply to any declarations of conformity and related markings, such as CE or GS.
2. Any risks of suitability and use shall be borne by the Principal alone.
3. The existence of any legal defect shall be governed by sect. 435 BGB.

4. The Principal's warranty rights shall be subject to the Principal having properly complied with the Principal's duties to inspect and to give notice of defects applicable under law and these Terms. The Principal shall be obliged towards us to inspect each individual delivery for any recognisable as well as any typical deviations without delay and in every respect and to give us written notice of each defect detected without delay, but 5 days after delivery at the latest. Notice of any defects detected only later despite most careful inspection needs to be given in writing without delay, but within 5 days after detection at the latest.
5. To the extent that the goods exhibit any defect for which We are responsible, we shall, at our option, remedy the defect or deliver a replacement. When remedying any defect, we shall be obliged to bear all expenses required to that end, in particular transport, workmen's travel, work and materials costs, unless these are increased by the goods having been taken to any place other than the place of performance.
6. The Principal has to give us the opportunity to establish the defect of which notice has been given and to inspect the goods objected to. Any goods objected to need to be sent back to us upon our request without delay, with us bearing the transport costs if the notice of defects is justified. If the Principal fails to give us the opportunity to inspect the goods objected to or any samples thereof despite a request, the Principal may not invoke any defects in the goods. Where any request to remedy defects is unjustified, we shall be entitled to claim damages, provided that the Principal could have recognised during careful inspection that no material defect existed.
7. We shall not warrant for any material defects caused by inappropriate or improper use, faulty assembly or commissioning by the Principal or third parties, ordinary wear and tear, faulty or negligent handling just as for the consequences of any changes or effected improperly and without our consent by the Principal or third parties. The same shall apply to any defects by which the value or fitness of the goods is reduced only insignificantly.
8. Any warranty shall be excluded if any used, not refurbished goods are the subject-matter of the contract. Any used, refurbished goods shall be governed by this cl. XIII.
9. The properties or functionalities of the third-party products or technical equipment used during the service provision are in line with the respective manufacturer's specifications and manufacturer's information current at the time the contract is concluded. We shall not assume any farther-reaching warranty for this.

10. Any further claims due to any defectiveness of the goods shall not exist. Any recourse to competing bases for claims, including, in particular, of a non-contractual nature, shall be excluded.
11. Any claims of the Principal due to any delivery of defective goods shall become statute-barred one (1) year after the statutory limitation period commences. Any claims due to any fraudulent and deliberate breach of contract shall remain unaffected. Any replacement delivery or subsequent improvement shall not result in any recommencement of limitation periods.

IX. Liability

1. Except for any liability under the German Product Liability Act (ProdHaftG), due to any defect fraudulently concealed, on account of any guarantee assumed by us for the quality of the goods or performance or for any damage caused by any culpable injury to life, body or health, we shall be liable towards the Principal for any breach of duties resulting from the contract concluded between us only in accordance with the provisions on damages hereinafter, without waiving the legal requirements for any such liability.
2. We shall be liable only for the culpable breach of essential contractual duties and for the deliberate or grossly negligent breach of any other contractual duties existing towards the Principal. Essential contractual duties shall be any obligations the fulfilment of which allows for the proper implementation of the contract in the first place and on the performance of which the Principal regularly relies and may rely.
3. In case of any simply negligent breach of essential contractual duties, our liability shall be limited to making good the foreseeable, typically occurring damage.
4. In case of any simply negligent breach of any other, i.e. non-essential contractual duties existing towards the Principal, our liability shall be excluded.
5. The limitations of liability above shall also apply in case of any breaches of duty by or for the benefit of any individuals for whose fault we are responsible under legal regulations.
6. Any change in the burden of proof to the Principal's detriment shall not be contingent on the limitations above.

X. Copyrights; Property Rights of Third Parties

1. We reserve title and copyright to any cost estimates, drafts, drawings and other documents; these may be made accessible to third parties only after we have given our prior written consent. Any drawings and other documents appertaining to offers need to be returned upon our request.
2. Where we have delivered any objects according to drawings, models, samples or other documents handed over by the Principal, the Principal shall warrant for ensuring that any property rights of third parties will not be violated. If third parties invoking property rights prohibit us, in particular, from manufacturing and delivering any such objects, we shall be entitled, without being obliged to check the legal situation, to discontinue any further activity to this extent and, where the Principal is at fault, to claim damages. Moreover, the Principal undertakes to indemnify us from any relating claims of third parties without delay.

XI. Place of Performance; Place of Jurisdiction; Applicable Law

1. The parties shall attempt to settle on a partnership basis and in good faith by negotiation without delay any disputes arising from or in connection with the legal relationship existing between them.
2. If the parties fail to settle the arisen disputes by negotiation within 30 days after either party having requested the respective other one in writing to enter into negotiations, both parties may recourse to ordinary courts of law. The courts at our headquarters shall have jurisdiction for all disputes arising from or in connection with the legal relationship existing between the parties. However, we may also sue the Principal at the Principal's place of jurisdiction at our option.
3. Place of performance for all duties arising from the contractual relationship with the Principal shall be our headquarters.
4. All legal relationships between us and the Principal shall be governed by German law to the exclusion of any conflict of law and the UN Sales Law (CISG).

XII. Non-Disclosure

1. Both parties undertake to maintain strictest silence about and not to use for any purpose other than the purposes under this agreement all business and trade secrets that have or will become known to them as well as all information of the respective other party or of the enterprises affiliated with the respective other party under sect. 15 AktG (German Stock Corporation Act) that are referred to as confidential or recognisably need to be treated as confidential due to any other circumstances, even beyond the end of the contract term, until these become evident, at least, however, for a period of 3 years after the end of the contract term.
2. Both parties shall carefully keep, protect against any access by third parties and return upon the end of this agreement any business documents handed over to them. The assertion of any right of retention shall be excluded. Both parties shall impose the same obligation on the employees and any third parties deployed by them.

XIII. Final Provisions

1. The Principal shall allow us to name the Principal as reference and to use the Principal's name and logo on our website and in any presentations in this context.
2. There are no verbal or written side agreements.
3. Any modifications and amendments to these Terms by individually agreed terms in terms of sect. 305b BGB shall not require any specific form. Other than that, any modifications or amendments must be in text form.
4. If any provision of these Terms is or becomes ineffective in whole or in part, this shall not affect the effectiveness of the remaining provisions of these Terms. The parties already agree now to replace the ineffective provision by a legally admissible provision coming closest to the economic intention. The same shall also apply in the event of any unintended regulatory gap.