

General Conditions of Sale and Delivery

1. General:

- 1.1 All orders are accepted and undertaken by Deutronic based on the following sales conditions. These also apply for future deliveries without repeated notification.
- 1.2 Conditions of the customer do not obligate Deutronic even if they are not explicitly contradicted, except when they are confirmed in writing by Deutronic.
- 1.3 By placing an order the purchaser expressly accepts the delivery conditions in their entirety.
- 1.4 All subsidiary agreements must be agreed in writing.

2. Proposals:

- 2.1 Proposals concerning price, quantity, terms of delivery and availability are subject to change.
- 2.2 Orders are only binding for Deutronic with a written order confirmation, also invoice and delivery note.
- 2.3 In connection with the sale of samples, these are solely guaranteed as workmanlike samples whereby a warranty for their suitability of use will not be given. Illustrations, drawings, lists, brochures, etc. and the data included therein are only approximations when they are not designated as being binding. Changes in engineering, form and design, which do not considerably alter the designated use, do not entitle objections or withdrawal from the contract.
- 2.4 Regarding estimates, drawings, suggestions of use and quotation documents, the copyright exploitation rights remain the property of Deutronic without reservation.

3. Place of performance, court of jurisdiction, governing law:

- 3.1 The place of jurisdiction is the seat of Deutronic or at the discretion of Deutronic the seat of the contractual partner.
- 3.2 Place of fulfilment is Adlkofen, Germany.
- 3.3 The contractual relationship shall be governed by the laws of the Federal Republic of Germany with exclusion of the UN treaty for the international purchase of goods (CISG).

4. Prices:

- 4.1 The purchaser shall be invoiced by Deutronic with prices valid at the time of delivery plus statutory value added tax at the rate in force on the day of delivery. The prices are net ex works without the cost of packaging.
- 4.2 Should Deutronic generally increase their prices in the interval between the conclusion of the contract for call-off business and the delivery thereof, and then the new pricelist will be valid from the time the change is made. The contractual partner shall have the right to withdraw from the contract within two weeks after being informed thereof. This however does not apply to price changes due to changes in valid value added tax tariffs.

5. Payment:

- 5.1 Unless otherwise agreed in writing, payments shall be done after the date of invoice.
- 5.2 Deutronic is not obligated to accept bills of exchange or cheques. If Deutronic accepts bills of exchange or cheques, these are only accepted as payment. In the case of acceptance of bills of exchange the bank discount and collection expenses will be calculated, these are immediately payable without deductions.
- 5.3 If the customer is in payment arrears, Deutronic is entitled to claim interest on arrears according to § 288 BGB (German Civil Code). Further claims of compensation for delay shall remain unaffected by this provision. If it becomes apparent that the claim for payment is endangered, or if the customer is in payment arrears, Deutronic is entitled to implement payment against delivery or the lodging of a security before further deliveries are dispatched. Deutronic is not obliged to offer a customer goods delivered with payment against delivery, a written proposal defining payment against delivery results in a delayed delivery for the customer, inasmuch as the customer has not adhered to the written proposal, providing security to the value of the goods.
- 5.4 The customer is not entitled to make demands based on disputed claims or claims not enforceable by law. The right of retention is excluded, unless the claim is recognized or undisputed by Deutronic or there is no doubt about its justification, or the counterclaim is legally established or a decision is pending regarding a legal dispute.
- 5.5 In the event of a rejection of ordered goods, Deutronic is entitled in cases of non-compliance without evidence, to claim a flat rate of 30% as compensation for loss of profit. The enforcement of higher damages upon provision of proof is thereby not excluded. The customer is free to provide evidence that the damage is non-existent or less than the flat-rate amount of the claim.

6. Transport and insurance:

Deutronic undertakes the transport of the goods according to the instructions and to the account and risk of the customer. This also applies to carriage-paid, FOB or CIF deliveries. Deutronic accepts no responsibility for transport problems of any type.

7. Packing:

Deutronic takes back used packaging, as long as it is legally required to do so and also that no exemption have been granted by disposal associations or corporations dealing with this subject.

8. Delivery and contractual obstacles:

8.1 All obstacles beyond the control of Deutronic, especially cases of force majeure, operational disruptions, prevented supply of raw, auxiliary and operating materials, absence of loading facilities, official measures, strikes and lock-outs or similar, free Deutronic from its obligation to deliver for the duration of the hindrance. Where the hindrance persists over more than 8 weeks, every contractual partner is entitled, under exclusion of all further legal claims, to withdraw from the contract. For partial deliveries the foregoing provisions shall apply for deliveries still outstanding. In cases where timely delivery is prevented by missing or delayed shipment from suppliers and subcontractors, Deutronic is not obliged to seek an alternative from a third party. Deutronic is entitled, using reasonable discretion, to distribute its available stocks among the existing orders.

8.2 When delivery dates are not confirmed in writing they remain without obligation. If in an individual case, a delivery date has been agreed upon and Deutronic defaults in delivery, the customer is entitled to set a reasonable period of time for the delivery to be made. A reasonable period of grace is normally 20 days.

8.3 Article 8.2 shall apply correspondingly, when a defect in a product for which Deutronic is responsible, obliging Deutronic to make a replacement delivery, who after a reasonable time do not fulfil this replacement delivery.

8.4 Deutronic is liable according to legal provisions for delays and impossibility of performance, in cases of wilful action and gross negligence of a representative or vicarious agent. In case of gross negligence Deutronic's liability is however limited to contract-typical foreseeable damages. Apart from that, Deutronic's liability for delays and impossibility of performance for damages in addition to and instead of the performance – even after expiry of any period of time that the customer may have set – and entitlement to reimbursement of fruitless expenditures are excluded. The limitations and exclusions mention in the precluding text shall not apply to liability due to injury to life, body or health.

9. Custom-made products, small quantities:

9.1 When producing small batches of custom-made equipment, Deutronic is entitled to request a price surcharge and charge non-standard packing costs in a separate invoice.

9.2 When producing custom-made equipment, Deutronic is entitled to exceed or undercut the agreed quantity by 20%.

10. Claims:

10.1 Objections regarding the scope and quality of a delivery can only be raised immediately, §§ 377, 378 HGB (German Commercial Code), at the latest within 8 days. Hidden shortcomings should be reported immediately after discovery, complaints reported later than 6 months after delivery are excluded.

10.2 Written application-related recommendations supplied by Deutronic as support for the purchaser/operator are given on the basis of available experience and to the best knowledge and belief, according to current level of knowledge and practice, they are not binding and do not form the basis of a contractual legal relationship, pre-contractual legal relationship, no claims on the basis of consultation and no subsidiary obligations associated with the sales contract. They do not absolve the purchaser of Deutronic products from personally checking that they are suitable for the proposed application.

10.3 Deutronic is liable for defects in cases of intent or gross negligence of a representative or auxiliary person according to statutory regulations. In addition Deutronic is liable under the German Product Liability Act, due to injury to life, body or health, or culpable breach of significant contractual obligations. Damages for violation of essential contractual obligations are however limited to contract-typical, foreseeable damages. Also in cases of gross negligence Deutronic's liability is limited to contract-typical foreseeable damages, when none of the exceptions mentioned in paragraph 2 of this section apply.

10.4 The liability for damages to an object under a client's legal protection, e.g. damages to other objects, is however excluded. This does not apply insofar as wilful intent or gross negligence are proven or unless liability is assumed for injury to life, body and health.

10.5 Claims of damages against Deutronic for slight negligence on behalf of Deutronic and their vicarious agent are inadmissible, except where there is neglect of essential duties, which jeopardize the purpose of the contract.

10.6 Deutronic is only liable for direct or consequential damages when its agents or servants are guilty of gross negligence or intent. In such cases Deutronic's liability is limited to the value of the goods in the delivery in question.

11. Reservation of Title:

11.1 Deutronic reserves the title to all and any products until the complete payment of the purchase price including all ancillary claims (currency exchange, financing costs and interest). The reservation of ownership shall also remain in effect even when individual outstanding bills for a current delivery (current account) have been deposited and confirmed.

11.2 The purchaser is entitled to process, install or transform the delivered goods in the customary course of business. The reservation of ownership shall also remain in effect when the goods are processed, transformed or connected together with any other third-party equipment not belonging to Deutronic. In the last instance a proportional co-ownership by Deutronic exists, according to § 947 sec. 1 BGB (German Civil Code).

- 11.3 All claims resulting from resale of the goods subject to retention or their processing within the framework of a works or works delivery contract, the purchaser transfers all rights in advance to Deutronic for the total value of the goods. In cases of connection of the goods subject to retention, this is limited to surrender of that part of the purchase price or labour cost claims, which represents the value of the goods. The purchaser is authorised to collect the surrendered claims on behalf of Deutronic, as long as he honours his liability to pay Deutronic. Deutronic can notify the debtors of the assignment.
- 11.4 If the value of the securities exceeds the respective claims by 20 % or more, Deutronic shall be obliged, on request by the customer, insofar to release securities. The selection of the securities to be released is the decision of Deutronic.
- 11.5 If third parties seize the goods subject to retention, the purchaser is obliged to immediately inform the seller of any change in possession.
- 11.6 In cases where Deutronic has serious doubts regarding the creditworthiness or on default of payment, as well as an application for the opening of bankruptcy or insolvency proceedings, it is entitled to request return of the goods at any time without any grace period being set or any notice of repudiation of the contract, to an extent deemed necessary to fulfil all obligations. To this end Deutronic is authorised to enter premises where the goods are stored.

12. Software and Property Rights:

- 12.1 Deutronic does not guarantee any characteristics of software programs to perform customer applications. Deutronic advises that errors in software programs cannot be entirely ruled out. Deutronic reserves the rights of use for the software contained in electronic modules and equipment. The buyer is only authorised to use the software in the delivered equipment and modules.
- 12.2 Drawings, samples and drafts remain the property of Deutronic and may not be used otherwise or made available to third parties. Orders undertaken for customers according to their own drawings, sketches or other information are, as far as the patent, patterns and brand names, undertaken at their own risk. If during the execution of such orders, any infringement of trademark rights should occur, the purchaser shall be responsible for any damages or costs resulting from this.
- 12.3 The purchase of our products does not include the use of patents or utility model protection rights.

13. Disclaimer:

- 13.1 Deutronic is liable in cases of intent or gross negligence of an institution, a representative or vicarious agent in accordance with the legal provisions. Otherwise, Deutronic will be liable only in cases of injury to life, body or health or for culpable breach of significant contractual obligations. However, compensation claims for culpable breach of significant contractual obligations is limited to contract-typical foreseeable damage. Also in cases of gross negligence Deutronic's liability is limited to contract-typical foreseeable damages, when none of the exceptions mentioned in the second sentence of this paragraph apply.
- 13.2 The liability for damages to legal assets of the customer, e.g. damages to other items is completely excluded. This does not apply if culpable intent or gross negligence exist or due to the injury to life, body or health.
- 13.3 The provisions in sections 13.1 and 13.2 pertain to compensation of damages instead of the accomplishment, irrespective of the legal grounds. They also apply to a claim for reimbursement of futile expenses. However, the liability for delay and impossibility of performance is defined according to clause 8.4 and for defects according to clauses 10.3 and 10.4.

14. Final Provisions:

- 14.1 Should any clause in these General Conditions of Sales and Delivery become invalid, this does not affect the remaining. Provisions of the General Conditions of Sale and Delivery. The parties are obligated through mutual consent to replace ineffective provisions by ones, which come closest to fulfilling the economic intention of the invalid provision.
- 14.2 The German General Conditions for the Supply of Products and Services of the Electrical and Electronic Industry also apply.

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