

General Terms and Conditions of Sale and Performance



I. Scope

The following General Terms and Conditions of Sale and Performance of the Stiegemeyer Group (herein after referred to as Contractor) are applicable exclusively to the sale and supply of goods and services provided under a contract for work or services and also any other goods and services. They are not applicable if the Client is a consumer in terms of § 13 BGB [German Civil Code]. Separate terms and conditions of sale are applicable to online orders.

II. Purchase agreements

1. Offers

- 1.1 Offers are non-binding in principle, unless declared binding in individual cases. Unless otherwise agreed, individual written offers of the Contractor shall be binding for a period of three months.
- 1.2 Obvious errors in an offer may be corrected before acceptance of the order.

2. Acceptance of the Terms and Conditions of Sale and Performance/Order confirmation

- 2.1 All offers and agreements shall be governed exclusively by the conditions below. Unless expressly accepted in writing, conditions of the Client which may deviate from these Terms and Conditions of Sale and Performance shall not constitute a component of the Contract, even should they not have been expressly objected to again. A delivery/performance effected without reservation shall not imply tacit acceptance of the Client's conditions.
- 2.2 The Contract shall be deemed concluded only following the Contractor's confirmation in writing or in text form. For rush orders, the invoice shall be deemed confirmation of the order.
- 2.3 Supplements, changes and subsidiary agreements shall likewise require the Contractor's confirmation in writing or text form to be effective.

3. Times of delivery/performance

- 3.1 Given delivery/performance times are approximate only unless a specific date is confirmed in writing or text form. Agreed deadlines shall commence on the day of dispatch of the order confirmation and shall be deemed complied with if the goods leave the works/store at the agreed time or, with an option of dispatch, when the Client is notified of the readiness for dispatch. The latter shall likewise apply if the delivery/performance is delayed for reasons the Client may be held responsible for. A reasonable grace period shall be allowed in cases of default in delivery/performance.
- 3.2 Agreed deadlines shall be reasonably extended should the Client change the Contract at a later stage and in a manner which affects delivery/performance times.
- 3.3 For deliveries and performances on call (so-called contract orders) the delivery/performance time within the term of the contract orders shall be agreed upon at least 12 weeks prior to the desired deadline.
- 3.4 Insofar as the completion or delivery of goods or the performance significantly affect agreed deadlines, such deadlines shall be reasonably extended in the event of unforeseeable, extraordinary events which the Contractor could not avoid despite reasonable diligence in accordance with the circumstances of the case – even should the events occur at the pre-supplier. This includes, in particular, official intervention, disruption of operations, industrial disputes and delays in the supply of raw and auxiliary materials. Should the aforementioned events render delivery or performance impossible, the Contractor shall be released from his duty to perform and the Client shall not be entitled to claim compensation. Should the aforementioned obstacles occur at the Client's, the same legal conditions shall apply to his obligation to accept as well. The contracting parties shall be obliged to notify the other party without delay of the beginning and end of obstructions as described above.

4. Pricing

- 4.1 Unless otherwise agreed, the Contractor's prices shall be ex factory. The prices exclude statutory VAT and shipping costs.
- 4.2 Should certain cost items change substantially, especially the cost of wages, primary materials or freight, the agreed price may be reasonably adapted to reflect the effect of such cost changes. The Client shall

be informed of any price changes in writing, furnishing reasons for the change in costs.

- 4.3 The price includes standard packaging.

5. Acceptance of delivery

- 5.1 If the goods/performance are not called up within 6 months of the Contractor's order confirmation or after the Client's award of contract, the Contractor shall be entitled to produce the goods and store these at the expense and risk of the Client, unless a later delivery date is agreed upon. The Contractor shall inform the Client of this and of expected storage costs in good time.
- 5.2 If delivery is by truck, the Client shall be obligated to take any precautionary measures required to ensure immediate offloading at the time agreed upon. This applies to trucks with a 25 meter shunting area especially. The Client shall always be responsible for delivery of the supplied goods to the point of use and for setting up.
- 5.3 Should it be agreed in individual cases that the Contractor will set up the supplied goods at the point of use, the Client shall ensure that the necessary access routes are available, that lifts are functional, available free of charge and with an operator, that a person authorised by the Client to sign for acceptance is present and that the Contractor is assigned a designated area where the supplied goods must be set up.
- 5.4 The delivery is deemed accepted after the Client or a person authorised by the Client as per Section 5.3 has signed the delivery note. After signing the delivery note, the Client shall in particular not have a right to demand that the erected goods be moved to another area inside or outside the premises where the goods were erected.

6. Deviations in delivered goods

- 6.1 The right to make any change in the design and/or production that are necessary for adapting the delivered goods to state of the art technology and which impact neither functionality nor value of the delivered goods is reserved. To the extent reasonable to the Client, the Contractor also reserves the right to deliver customary or minor technically unavoidable deviations in terms of quality, colour, dimensions and weight. The Contractor shall inform the Client of such changes.
- 6.2 References to earlier versions are deemed indicative only in terms of models and functionality.

7. Samples and drawings

- 7.1 The Contractor reserves his proprietary rights and copyright to illustrations, drawings, sketches, other documentation and samples.
- 7.2 Samples are delivered freight paid and, unless otherwise agreed, shall be returned within 3 months or purchased at the list price. Damaged samples cannot be returned. The Client shall in all cases purchase specially produced samples.

8. Terms of payment

- 8.1 All invoices shall be payable within 30 days of the date of the invoice, without deductions. A 2 percent discount shall be granted to prepayments or cashpayment within 14 days of the date of the invoice.
- 8.2 Should the Client be in default with payment, the Contractor shall be entitled to charge interest on arrears of 9 percent age points above the baserate at the time.
- 8.3 Bills of exchange are accepted only on account of performance or subject to agreement and provided they are bankable. Discount charges are calculated from the due date of the invoice. Guarantees for correct submission of the bill of exchange and for bill protest are excluded.
- 8.4 Should the Contractor, after conclusion of the Contract, become aware of facts suggesting significant deterioration of the Client's pecuniary circumstances which, after dutiful commercial assessment, are likely to jeopardise his claim to payment he may, prior to his performance, demand suitable sureties within a reasonable period, or incremental performance against payment. If the Client does not meet the justified demands of the Contractor or does not meet them in good time, the Contractor shall be entitled to withdraw from the Contract and demand compensation.
- 8.5 Should the Client be in arrears with a partial performance, the Contractor shall have the right to demand the full residual performance immediately and also to withdraw from the Contract without setting a further time limit and/or demand compensation should the delay in performance be due to a significant deterioration of a financial position. If the Client's delay in performance is not of a financial nature the

Contractor may, after fruitless expiry of a reasonable period, with draw from the Contract and/or demand compensation.

- 8.6 The Client may only offset with legally binding claims or counter claims recognised by the Contractor, or assert rights of retention based on such claims. Offsetting or retention rights are always an option in cases where the Client asserts claims for defects.

9. Shipment and passing of risk

- 9.1 Shipments are ex factory unless expressly otherwise agreed and with no guarantee for the most cost-effective mode of shipment. All shipments are effected at the request of the Client.
- 9.2 Risk passes to the Client when the goods are ready for shipment. Should the shipment or transport or acceptance be delayed for reasons the Contractor cannot be held responsible for, the risk shall pass to the Client on receipt of notification of readiness for shipment.

10. Third party proprietary rights

Should manufacture of the goods according to the Client's drawings, samples or other specifications violate third party proprietary rights, the Client shall indemnify the Contractor from all resultant claims.

11. Reservation of title

- 11.1 The Contractor reserves his ownership of the supplied goods until all claims under the business relationship with the Client are satisfied. If payment is by cheque or bill of exchange, the right to ownership shall remain until such cheque/bill of exchange is redeemed.
- 11.2 The Client is entitled to sell these goods in the regular course of business, provided he meets his obligations under the business relationship with the Contractor in good time. He may, however, neither mortgage nor offer as surety such goods subject to retention of title. He is obligated to secure the rights of the Contractor when reselling the goods subject to retention of title on credit.
- 11.3 The Contractor shall be entitled, in the event of default in payment by the Client, to demand provisional return of the goods subject to retention of title at the expense of the Client, also without exercising his withdrawal rights and without allowing a grace period.
- 11.4 The Client shall already now assign as surety to the Contractor all receivables and rights from the sale or lease of goods permitted to the Client to which the Contractor may have proprietary rights. The Contractor hereby accepts such assignment. Should the Client not meet his obligations towards the Contractor in good time, he shall be obligated on demand of the Contractor to provide information on the ceded receivables and rights and to provide the documentation required for asserting such rights.
- 11.5 If the Contractor's goods are combined or inseparably mixed with other movable objects to form a single object and if the other object constitutes the main object, it is deemed agreed that the Client shall transfer proportional joint ownership to the Contractor, insofar as the main object belongs to the Client. The Client shall safekeep the property or joint property on behalf of the Contractor. For the rest, the same as for goods subject to retention of title shall also apply to the object created through processing, combination or mixing.
- 11.6 The Client shall immediately inform the Contractor of any third party sequestration action in respect of goods subject to retention of title and receivables or other sureties ceded to the Contractor, by handing over documentation required for an intervention; this shall also apply to impairments of any kind.
- 11.7 The Contractor undertakes on demand of the Client to release the sureties assigned to him under the aforementioned provisions, provided the value of such goods assigned as collateral exceeds the secured receivables by more than 20%.

12. Warranty

- 12.1 If the supplied goods are not to specification, the Contractor shall be entitled at his discretion to rework or to substitute. The Contractor shall be informed, in writing or text form, of identifiable defects within 14 days of receipt of the goods, in the case of hidden defects immediately upon detection. All claims for defects shall lapse unless notification is received in due time.
- 12.2 The statute of limitation for claims for defects shall be 24 months, commencing at handover of the goods to the Client.
- 12.3 The Client shall be entitled to withdraw from the Contract if the Contractor fails to remedy a defect or replace the goods within a reasonable respite set by the Client.

13. Compensation for damages

Claims for compensation based on breach of contractual obligations or unauthorised actions are excluded unless based on wilful intent or gross negligence by the Contractor or his vicarious agents, or culpable violation of significant contractual obligations (e.g. the duty to deliver goods free of defects). Insofar as the Contractor is liable accordingly, liability for negligent (also grossly negligent) violations shall be limited

to compensation of foreseeable damage at the time of conclusion of the Contract. The limits above do not apply to injury to life, limb or health. Claims under the Product Liability Act and claims based on wilful concealment of a defect and based on acceptance of a guarantee for the condition of the goods also remain unaffected.

14. Termination of Contract/Cancellation

- 14.1 Both contracting parties are entitled to extraordinary cancellation of the Contract should the other party violate a significant contractual obligation. A right to extraordinary cancellation is given especially if
- insolvency proceedings are initiated or declined due to lack of assets via the parent company of the other party and concrete indications exist that the party will for this reason be unable to meet its contractual obligations;
 - the Client repeatedly fails to meet his payment obligations.
- 14.2 In the event that the Contractor justifiably terminates the Contract for extraordinary reasons, the Client shall be obligated to reimburse the Contractor for all costs, losses, expenses or damages caused by such premature termination of contract. The aforementioned claims for reimbursement shall be due within seven days from termination of contract and shall exist independently of statutory or contractual claims.
- 14.3 Cancellation shall be strictly in writing.
- 14.4 The parties undertake after termination of the Contract to return any accessories, documentation, information or addresses owned by the other party, unsolicited.

15. Obligations in accordance with the German Electrical and Electronic Equipment Act [ElektroG]

Insofar as the supplied goods/performance are governed by the provisions of the ElektroG, the following shall apply:

- 15.1 The Client shall be responsible for proper disposal of the supplied goods no longer in use, at his own cost and in compliance with statutory regulations. The Client indemnifies the Contractor from obligations pursuant to § 10 Para. 2 ElektroG (obligation by the manufacturer to take back) and associated third party claims. On demand, the Contractor shall, however, take back the goods delivered by him for proper disposal in compliance with statutory regulations, at his prices as updated at the time and at the expense of the Client.
- 15.2 If the Client passes on the goods supplied by the Contractor to other commercial third parties, he shall contractually obligate such third party to properly dispose of such goods when no longer in use, at the party's own expense and in compliance with the statutory regulations and furthermore to impose an equivalent obligation on the latter in the event that the goods are passed on to a further commercial party. Should the Client neglect to contractually obligate third parties to whom he passes on the supplied goods to accept their duty of proper disposal and downstream propagation of such obligations, the Client shall be obligated to take back the supplied goods when no longer in use at his expense and dispose of these in compliance with statutory provisions. Section 15.1, last sentence shall then apply accordingly.
- 15.3 The Contractor's right to take over/release/downstream obligation as per Section 15.1 and 15.2 shall not lapse before the end of two years after the goods are retired from use. The two-year period of extended obligation commences no sooner than when the Contractor receives the Client's written notification of the end of use.

16. Transferability of the Contract

Rights and obligations under the Contract shall not be transferred to third parties without the written approval of the other contracting party. Transfer of the Contractor's rights and obligations to an affiliated company in a group is excepted from this.

III. Miscellaneous

1. Place of performance

The place of performance for all obligations under the contractual relationship shall be the head office of the Contractor.

2. Place of jurisdiction

If the Client is a businessman or a legal person or special fund under public law, the exclusive place of jurisdiction for all legal disputes arising from or in association with the business relationship, whether purchase/work/service agreement or other services, shall be the head office of the Contractor. This shall also apply for proceedings concerning bills of exchange or cheques.

3. Applicable law

The entire contractual relationship, irrespective of whether it concerns a purchase/work/service agreement or other services, shall be exclusi-

vely governed by the laws of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods (CISG/ UN Sales Convention).

4. Written form

All amendments to the Contract, its appendices or these Terms of Business shall be in writing. This shall also apply to agreements cancelling this written form requirement.

5. Ineffectiveness of individual provisions

Should one or more provisions of this Contract be or become ineffective, fully or in part, or be impossible to implement, the validity of the remaining provisions shall not be affected thereby. The contracting parties shall be obligated to substitute the ineffective or impractical provision with an effective or practical provision approximating the intended purpose of the originally agreed provision as closely as possible.

Lage, August 2015