

ServoTech GmbH

General Terms and Conditions (GT&C)

1. Scope

- 1.1. Our General Terms and Conditions apply to all contracts with contractual partners who are contractors (hereinafter shortly referred to as "Customers").
- 1.2. Our General Terms and Conditions apply exclusively; conflicting conditions or conditions of the Customer deviating from our Terms and Conditions are not accepted unless we explicitly consent to their validity in writing. If we do not react to the transmission of the Customer's general terms and conditions, this shall not be regarded as consent to their application. Our General Terms and Conditions shall also apply if delivery to the Customer is effected without reservation despite knowledge of conflicting conditions or conditions of the Customer deviating from our Terms and Conditions.

2. Offer, order confirmation, subsequent contract amendments

- 2.1. Our offers are always without engagement, i.e. they shall only be regarded as request to the Customer to submit an offer. If an order is to be qualified as Customer offer, we shall be free to accept this offer within two weeks.
- 2.2. Contracts with Customers shall only become effective by our written order confirmation, by our performance, however, at the latest. All agreements between us and the Customer regarding the performance of the contract shall be recorded in the order confirmation in writing. Changes in performance shall remain reserved to the Customer. All subsequent modifications, ancillary agreements, individual agreements and other agreements deviating from the offer and/or our order confirmation shall be made in writing. If in connection with subsequent change requests on the part of Customer additional services are rendered, they shall be compensated separately, on the basis of comparable items and - for lack of such items - reasonably, according to usual practice.
- 2.3. Technical and design deviations as compared to descriptions and specifications in brochures, offers and written documents as well as construction, development and material changes due to technical progress shall remain reserved if and to the extent the change is reasonable for the Customer considering our interests. They shall be regularly reasonable for the Customer if the contractual purpose related to our services is not impaired and if Customer does not have a special interest in the rendering of the unchanged service.
- 2.4. We are entitled to transfer contractual services to third parties (vicarious agents) in whole or in part, particularly if services are covered by the field of responsibility of special experts.

3. Documents

- 3.1. Customer undertakes to provide us with all necessary performance documents and to continuously provide us with any information required and useful to perform the order in writing and to grant the releases required for the partial services.

- 3.2. We reserve our property rights and copyrights in sketches, figures, diagrams, drawings, calculations, construction specifications and other documents. This shall also apply to the written documents which are marked as "confidential". Before they are forwarded to third parties, Customer shall obtain our explicit written consent.

4. Prices and terms of payment

- 4.1. Subject to deviating agreements, our prices are quoted plus the valid legal value added tax ex Langenburg. The deduction of discount requires a separate agreement. If delivery within four months has been agreed upon, the price agreed upon on the day of contract conclusion shall apply. We shall be entitled and obliged to change the price if the period between the contract conclusion and the delivery date is more than four months and after conclusion of the contract, the costs are reduced or increased, particularly due to wage agreements or changes in material prices. We will immediately inform the Customer about such facts. We shall prove the cost factors decisive for the price reduction or increase at the Customer's request. Apart from that, price increases shall only be admissible within the reasonable scope considering the ratio of performance and consideration and only insofar as they avoid reduction of profits and do not lead to the realization of additional profit either. If the price increase exceeds 5.0% of the delivery value, Customer shall be entitled to rescind the contract with effect as of the beginning of the price increase within two weeks from the notification of the price increase by means of written declaration. In case of rescission, Customer shall remain obliged to pay the services which have already been rendered.
- 4.2. Our deliveries and services shall be due for payment within 30 days from the invoice date at the latest, purely net (without deduction). Checks and bills of exchange are only accepted on account of performance and provided that they can be discounted as well as against remuneration of the discounting expenses. In case of a check or bill protest we shall be entitled to request immediate cash payment step by step, against return of the check or bill of exchange. For work performances, we may request advance payments for the rendered contractual services according to the progress for self-contained parts of the work.
- 4.3. To default in payment, the legal regulations apply. Default interest are to be fixed higher or lower than the legal interest rate if we prove charging of higher interest rates or Customer proves charging of lower rates. In case of suspension of payment, default in payment, deterioration of the Customer's economic situation or application for the opening of insolvency proceedings we shall be entitled to immediately assert all accounts receivable under the business relationship which are not yet due. Customer shall be entitled to avert the assertion of these rights by providing securities in the form of a personal bank guarantee in the amount of our payment claim including interest and costs.
- 4.4. Customer shall only be entitled to rights of offset if their counterclaims have been determined in a legally binding manner or if they are undisputed and accepted by us. Customer shall only be entitled to execute rights of retention as far as their counterclaim is based on the same legal relationship.

5. Deliveries and partial deliveries, delay in delivery

- 5.1. The delivery times in our offers are without engagement. Delivery dates shall only be binding in case they have been explicitly confirmed in writing. The delivery period starts with our written order confirmation and the making of agreed payments on account by the Customer, however not before clarification of all performance details. If Customer is obliged to obtain approvals, release declarations, installation plans, certifications or other documents or make advance payments, the

delivery time shall only start upon complete delivery of these documents. The delivery date shall be regarded as having been complied with if on that date, the subject matter of the contract leaves our factory or we notify the Customer that it is ready for dispatch.

- 5.2. Our delivery dates are subject to correct and timely self-supply. Events of force majeure, labor disputes at our premises or at our suppliers', operating or transport disturbances, lack of material, import and export restrictions or comparable, unforeseeable obstacles the development or removal of which cannot be influenced by us and due to which performance is subsequently made considerably more difficult or temporarily impossible for us or our supplier shall extend the delivery dates by the period of interference and a reasonable restart period.
- 5.3. In case of incorrect and non-timely self-delivery and unforeseeable events which make it impossible or much more difficult for us to satisfy our obligations to perform we shall be entitled to rescind the contract without incurring any liability vis-à-vis the Customer due to non-performance or delayed delivery. Customer shall be immediately informed about the non-availability of the service and rendered considerations shall be immediately compensated. If we do not provide any explanation at request, Customer shall be entitled to rescind the contract.
- 5.4. If we learn of irregular payments, deteriorations in the financial situation, suspension of payment, over-indebtedness, insolvency or the filing of an application for opening of insolvency proceedings on the part of Customer, we shall be entitled to delivery against cash on delivery or advance payment, at our option. Customer shall be entitled to avert the assertion of these rights by providing securities in the form of a personal bank guarantee in the amount of our payment claim including interest and costs.
- 5.5. We shall be entitled to partial deliveries and partial invoices if they are reasonable for the Customer.
- 5.6. We are liable for delay in delivery in case of intention or gross negligence according to the legal provisions. We are also liable for faults of our representatives or vicarious agents. In case of gross negligence, our liability is, however, limited to the foreseeable, typically occurring damage. We are moreover liable according to the legal provisions if the delay in delivery imputable to us is based on the culpable violation of a material contract obligation which is at hand if the violation of duty refers to a duty which only allows for the proper performance of the contract and on the performance of which Customer may rely. In this case, our liability is also limited to the foreseeable, typically occurring damage. For the rest, we are - in case of delay in delivery - liable within the scope of generalized compensation for delay amounting to 0.5% of the delayed delivery value for every complete week of the delay, however maximally to 5.0% of the delayed delivery value. Customer shall be entitled to render proof of higher damage caused by the delay. More far-reaching claims and rights of Customer are excluded. The preceding limits do not only apply to liability due to injuries to life, body or health.

6. Packaging and dispatch, passing of the risk

- 6.1. Unless otherwise specified in the order confirmation, dispatch shall be effected at the Customer's account and risk. We will pack the subject matter of the contract as usual in trade; we shall be free to select the mode of dispatch. Transport insurance will be taken out at the Customer's request and expense. We are not liable for loss, accidental loss or deterioration of the dispatched goods.
- 6.2. The risk passes to the Customer upon handover of the subject matter of the contract to the forwarding agent, carrier or other persons appointed for the dispatch or when it leaves our factory or warehouse at the latest. The risk will also pass if the subject matter of the contract is accepted by the

Customer, Customer is informed about the provision or delivery is deferred at the Customer's request.

- 6.3. We hereby assign claims for damages against liable third parties and/or insurances to the Customer. Customer accepts the assignment. More far-reaching claims against us are excluded.

7. Reservation of title

- 7.1. The delivered goods will remain our property until all claims to which we are entitled under the business relationship have been completely satisfied. If payment by means of the check procedure has been separately agreed upon with Customer, the retention of title shall not forfeit before discharge of the bills of exchange accepted from the Customer. In case of violations of duty on the part of Customer, particularly in case of default in payment, we shall be entitled to request surrender of the goods, setting a reasonable period; Customer shall be obliged to surrender the goods. If delivery has not been effected yet, we shall be entitled to retain the goods or to deny performance of the contract until all accounts payable by the Customer have been paid. The surrender request and/or the retention of the contractual objects shall not constitute a rescission unless we have explicitly declared this in writing. Alternatively, we may also rescind the contract.
- 7.2. Customer shall immediately inform us about any pledging or other interventions by third parties. If Customer violates this duty, they shall be liable for damages.
- 7.3. Customer shall be entitled to resell the goods in the ordinary course of business. However, to secure our claims, they already now assign all claims that accrue against their purchasers or third parties from the reselling to ServoTech GmbH in the amount of the invoice amount including the legal value added tax; ServoTech GmbH accepts the assignment irrespective of the question whether the goods are resold without or after any processing. The claims assigned to us by Customer in advance shall - in case of a current account relationship between the Customer and their purchasers or third parties - refer to the accepted balance and - in case of insolvency of the purchaser or third parties - to the "causal" balance. Customer shall also remain entitled to collect the account receivable after the assignment. Customer is obliged to immediately forward the proceeds from the reselling of our goods to us if our claims are due. Our right to collect the accounts receivables ourselves shall remain unaffected. We are entitled to revoke the authority to collect the claims and to collect them ourselves if Customer does not comply with their payment obligations using the agreed proceeds, delays payments, suspends payments and/or has filed an application for the opening of insolvency proceedings. In case an application for the opening of insolvency proceedings is filed, the right to resell the goods subject to reservation of title and to collect the claims shall forfeit; insofar, we may ask from Customer to notify us the assigned accounts receivable and their debtors, to provide us with any information necessary for the collection, to deliver us the related documents and to inform the debtors about the assignment.
- 7.4. Customer will always process or modify the goods for us. Internally, this shall not incur us any liabilities vis-à-vis the Customer. If the goods are processed with other objects which are not our property, we acquire the co-ownership in the new object in the ratio of the value of the good to the other processed objects at the time of processing. For the rest, the same shall apply to the object resulting from the processing as for goods delivered under reservation.
- 7.5. If the goods are inseparably mixed with other objects which are not our property, we acquire the co-ownership in the new object in the ratio of the value of the good to the other mixed objects at the

time of mixing. If the goods are mixed so that the Customer's object is to be regarded as main object, it shall be regarded as agreed that Customer transfers the pro-rata co-ownership to us.

- 7.6. We undertake to release the securities to which we are entitled at Customer's request to the extent the realizable value of our securities exceeds the claims to be secured by more than 10%; we shall be free to select the securities to be released.

8. Warranty

- 8.1. For defects in the subject matter of the contract, we shall - in case of proper performance of the examination and notification obligations according to § 377 HGB (German Commercial Code) by the Customer - be liable according to the following regulations.

- 8.2. Customer is obliged to examine the subject matter of the contract for apparent defects that stand out to an average Customer. Apparent defects include e.g. missing manuals as well as easily visible damage at the subject matter of the contract. We shall be notified apparent defects within a period of two weeks after delivery in writing. We shall be notified defects that only become apparent at a later point in time within a period of two weeks after detection in writing by means of an error report and specifying the operating and environmental conditions and the last entries. If Customer violates the examination and notification obligations, the subject matter of the contract shall be regarded as having been approved.

- 8.3. If there is a defect in the subject matter of the contract according to number 8.5., we are, at our option, entitled to subsequent performance in the form of rectification of defect or delivery of a subject matter of the contract free of defects. The expenses necessary for the purposes of subsequent performance will be borne by us provided that they are not increased by the fact that the deliveries or services are rendered at another place than Langenburg and the transport does not correspond to their intended use. Defective subject matters of the contract are to be sent to us against remuneration of costs. If this is impossible or economically unreasonable, we shall be given the opportunity to inspect the alleged defects; the defective subject matters of the contract are to be made available to us and in case of delivery of defect-free subject matter of the contract, they are to be returned. If one of the two types of subsequent performance or both types are impossible or unreasonable, we shall be entitled to deny subsequent performance. We can deny subsequent performance as long as Customer does not satisfy their payment obligations vis-à-vis us to an extent corresponding to the defect-free part of the rendered service. The warranty for insignificant defects is excluded.

- 8.4. If subsequent performance specified in number 8.3. is impossible or has failed, Customer may - at their option - either reduce the compensation accordingly or rescind the contract according to the legal regulations; this applies in particular to the culpable delay or denial of subsequent performance and also if it fails for the second time unless anything else results from the type of the subject matter of the contract, the defect or the other circumstances. The regulations specified above shall also apply to the delivery of a different subject matter of the contract or to shortfalls.

- 8.5. If we are obliged to create individual software and if there is a software defect, we are, at our option, entitled to subsequent performance in the form of rectification of defect or delivery of software that is free of defects. We are entitled to deny subsequent performance if it is impossible or requires unreasonable expenses or if Customer does not satisfy their payment obligations vis-à-vis us to an extent corresponding to the defect-free part of the rendered service. We shall be given the opportunity to inspect the defect. In case defect-free software is delivered, the defective software shall be handed out. Customer is entitled to deny the subsequent performance selected by us if the

subsequent performance is unreasonable for them. Customer shall only be entitled to remedy the defect themselves and to request compensation of the related expenses after unsuccessful expiry of a reasonable period set in writing for the subsequent performance unless such period does not have to be set according to the legal regulations. Self-remedy of defects and compensation of the expenses are excluded if we are entitled to deny subsequent performance. If the subsequent performance is impossible or has failed, Customer may - at their option - either reduce the compensation or rescind the contract according to the legal regulations; this applies in particular to the culpable delay in or denial of subsequent performance. The warranty for insignificant defects is excluded. For the rest, our liability for defects is regulated by the legal regulations regarding the contract for work and services.

- 8.6. No warranty will be accepted in the following cases: Incorrect assembly, connection and operation of the subject matter of the contract by the Customer, unsuitable or improper use, incorrect or negligent handling and, of course, wear of the subject matter of the contract, unsuitable operating media, chemical, electro-chemical or electrical influence as well as improper changes or repairs.
- 8.7. Claims and rights based on defects in the delivery/performance will become statute-barred according to number 13.1.
- 8.8. The liability for the compensation of damage and/or expenses due to defects is based on number 10. More far-reaching claims of Customer are excluded.

9. Acceptance

If we are obliged to create individual software, the software shall be regarded as having been accepted as soon as the Customer has been provided with a contractually owed manual, Customer starts using the software and uses it for a period reasonable to check the software.

10. Liability

- 10.1. We are liable for culpable injuries to life, body or health according to the legal regulations. The same applies to the liability according to the Product Liability Act.
- 10.2. We are moreover liable for cases of intent or gross negligence including intent or gross negligence of our representatives or vicarious agents according to the legal regulations. In case of gross negligence, our liability is limited to the foreseeable, typically occurring damage.
- 10.3. We are moreover liable according to the legal provisions if we violate material contractual obligations in a culpable manner; this shall be the case if the violation refers to a duty which only allows for the proper performance of the contract and on the performance of which Customer may rely. In this case, our liability is also limited to the foreseeable, typically occurring damage.
- 10.4. For the rest, liability - irrespective of the legal reason - shall be excluded. This applies in particular to claims for damages based on fault upon contract conclusion, on the violation of contractual secondary obligations and other violations, tort as well as other tortious liability; moreover to claims for damages outside the subject matter of the contract, to indirect damage and consequential damage, particularly loss of production and data loss of the Customer as well as to claims to the compensation of lost profits.
- 10.5. As far as the liability is limited according to the preceding regulations, this also applies to the personal liability of our legal representatives, employees and vicarious agents.

10.6. The preceding regulations for claims to damages shall also apply to claims to the reimbursement of expenses.

11. Rescission

11.1. Customer may only rescind the contract within the scope of the legal provisions if we are responsible for violation of duty; in case of defects, however, the legal prerequisites shall remain in place. In case of violations of duties, Customer shall - at our request - state within a reasonable period whether they rescind the contract due to the violation of duty or whether they insist on the delivery/performance.

11.2. If the contract is cancelled due to rescission - irrespective of the reason - Customer shall be obliged to pay a reasonable compensation for use for the duration of surrender of the subject matter of the contract.

12. Rescission agreement and compensation for non-acceptance

12.1. If the contract is amicably canceled despite valid contractual relationship at an early point in time and without performance of our obligations, Customer shall be obliged to pay compensation for non-acceptance.

12.2. The compensation for non-acceptance comprises the expenses we incurred to perform the contract e.g. for the procurement of raw materials, programming, construction, production and administration costs and the lost profit. The amount of the compensation for non-acceptance is generalized and amounts to 10% of the delivery value. The compensation for non-acceptance shall be fixed higher or lower if we prove higher or Customer proves lower expenses.

13. Statute of limitation

13.1. The limitation period for claims and rights due to defects in the delivery/performance - irrespective of the legal reason - is one year. The beginning of the limitation period is determined by the legal provisions. This does not apply to cases of § 438 subsection 1 no. 2 BGB (German Civil Code) (buildings, objects for buildings), of § 634a subsection 1 no. 2 BGB (buildings) and of §§ 478, 479 BGB (supplier recourse). In this connection, the legal limitation periods apply.

13.2. The limitation periods according to number 13.1. also apply to all claims for damages relating to a defect. If there are claims to damages not relating to a defect, a limitation period of 18 months shall apply. For claims to damages, the limitation period shall start upon accrual of the claim and knowledge and/or grossly negligent lack of knowledge of the circumstances giving rise to the claim and the person of the debtor.

13.3. The limitation periods according to number 13.1. and 13.2. apply under the following condition: The limitation periods do not apply in case of intention and malice. They do moreover not apply to claims for damages due to injuries to life, body or health, to claims according to the Product Liability Act, in case of grossly negligent violation or in case of violation of material contractual duties. In these cases, the legal limitation periods shall remain valid.

14. Termination

- 14.1. In case of termination by the Customer according to § 649 BGB, we shall be entitled to request the agreed compensation deducting the expenses saved by the cancelation of the contract and the benefits achieved. The saved expenses are generalized and fixed to 30% of the remuneration applicable to the outstanding services. We and Customer shall be entitled to prove lower and/or higher saved expenses.
- 14.2. The contractual parties are entitled to the extraordinary termination of contracts for works and services for an important reason. Important reasons for our extraordinary termination particularly include delays in payment with two payment obligations due, any deterioration in the Customer's economic situation which is not only insignificant, particularly in case insolvency proceedings and compulsory enforcement measures are initiated, as well as the repeated violation of contractual duties to cooperate on part of Customer despite our written warning.

15. Industrial property rights

- 15.1. We warrant that our subject matters of the contract and services are free of industrial property rights of third parties (patents, design patents, utility patents, brands, copyrights) limiting or excluding the use according to the contractually determined scope if these rights have been registered and published in the Federal Republic of Germany.
- 15.2. If the contractual use is impaired by industrial property rights of third parties we shall - to an extent reasonable for the Customer - be entitled to either change the subject matter of the contract so that it is no longer covered by the scope of protection or to obtain an authority so that the subject matter of the contract can be used according to the contract, without limitations and without additional costs for the Customer. We are optionally also entitled to take back the subject matter of the contract against repayment of the remuneration minus compensation for use for the duration of use by the Customer.

16. Software

- 16.1. All programs purchased by Customer from us are protected by copyright and can only be procured and utilized by Customer after execution of a written software license agreement. If the scope of delivery comprises software, Customer will be granted a non-exclusive, simple right to use the software (user license). The granting of sub-licenses is not admissible. The software is surrendered for use on the subject matter of the contract intended for that purpose.
- 16.2. Customer is entitled to use the software according to the contractually intended use including error correction. The creation of backups is only admissible if this is required to secure the future use. Observing, examining and testing the program by loading, displaying, running and transmitting it is only admissible to determine the ideas and principles on which the program is based. Copies of our programs and documentation are to be provided with a copyright note.
- 16.3. Surrender of the source code requires a separate written agreement. Source programs can only be surrendered if we are entitled to do so and surrender is possible for us. Duplication of the code or the compilation of the code form (decompilation) is only admissible under the legal prerequisites of § 69e UrhG (Copyright Act).

17. Place of performance, place of jurisdiction

The place of performance for all claims under the contractual relationship is Langenburg. The law of the Federal Republic of Germany shall apply exclusively; the applicability of international law e.g. the UN Convention on the International Sale of Goods is excluded. The exclusive place of jurisdiction for the contractual parties for all claims under the contractual relationship is the local or regional court responsible for the registered office of ServoTech GmbH.

ServoTech GmbH
Bahnweg 62
74595 Langenburg

Phone: +49 7905 9190 0
Fax: +49 7905 9190 290

Internet: www.servotech.de
Email: office@servotech.de