

Section 1: General matters – Scope

- (1) Our Terms and Conditions of Sale and Delivery (hereinafter, “Terms and Conditions of Sale” or “Terms and Conditions of Delivery”) apply exclusively. We do not acknowledge terms and conditions of the customer that conflict with or deviate from our Terms and Conditions of Sale, other than where we have expressly approved their validity in writing. Our Terms and Conditions of Sale also apply where we make delivery to the customer without reservation despite awareness of terms and conditions of the customer that conflict with or deviate from our Terms and Conditions of Sale. Deviating terms and conditions of our contracting partner are hereby expressly objected to. This objection also applies where the contracting partner declares that its business terms and conditions, particularly purchasing terms and conditions, have priority. The objection furthermore applies where the contracting partner has specified a special form for it.
- (2) All agreements between us and the customer that are made for the purpose of performing this contract are set down in writing in this contract.
- (3) Our Terms and Conditions of Sale apply only with respect to entrepreneurs within the meaning of section 310 (1) of the German Civil Code (BGB), as well as with respect to legal entities under public law.
- (4) These Terms and Conditions of Delivery apply to all business transactions between us and the customer, even where they are not expressly mentioned in subsequent contracts.
- (5) These Terms and Conditions of Delivery apply to all contracts between us and the customer with respect to the sale of materials, objects, products, items, and software, to all associated services (goods) and to all contracts with respect to the provision of work services by us.

Section 2: Offer – Offer documents

- (1) If the customer's order qualifies as an offer pursuant to section 145 BGB, we may accept same within two weeks. Where we deliver goods manufactured or delivered by third parties, our order confirmations are subject to the condition that we are supplied by our own suppliers. Our offers are always subject to change. Documents forming part of the offer, such as images, drawings, weight and size information, as well as our brochures are non-binding and subject to change, unless they are expressly characterized as binding.
- (2) We retain title and copyright in and to images, drawings, calculations, and other documents. This also applies to written documents that are designated “confidential”. The passing on of the aforementioned documents to third parties as well as the making of copies or duplicates as well as other reproductions require our prior written consent.

The foregoing applies mutatis mutandis to any delivered software. This may be used only on the delivered system (machine). Any use by others is prohibited. Rights of third parties and, in particular, license agreements are to be observed by the customer as its own obligation.
- (3) We are entitled to make changes to the design or manufacture of the objects of delivery, provided the customer can be reasonably expected to accept them, taking into consideration our interests. The standard for reasonableness on the part of the customer is the impact on the value and functioning of the objects of delivery and, our part, technical requirements, particularly in terms of production technology.

Section 3: Prices – Payment terms

- (1) Unless specified otherwise in the order confirmation, our prices are considered “FCA Ellwangen”, excluding packaging, Packaging, customs, taxes and other charges, freight and insurance are invoiced separately.

The costs for the installation and commissioning of the object of

the contract by our employees at the customer's plant are not included in the contract prices, unless expressly agreed otherwise. They are charged in addition at reasonable and customary rates. Preparatory work at the customer's plant (e.g. civil engineering work, preparation of construction surfaces, power and air supply, cranes) is performed by the customer at its expense.

- (2) Value-added tax is not included in our prices. Where owed, it is shown separately on the invoice in the amount in effect on the date of invoice.
- (3) Checks and bills of exchange are accepted only subject to prior agreement and in all cases subject to collection only.
- (4) Unless specified otherwise in the order confirmation, the net purchase price is payable (without deduction) within 30 days of the date of invoice. Statutory rules govern the consequences of payment default. If the customer definitively ceases making its payment and/or if insolvency proceedings in respect of its assets or court-supervised or out-of-court composition proceedings are applied for, we are also entitled to withdraw from the portion of the contract that has not yet been fulfilled.
- (5) The customer is entitled to rights of set-off and retention only if its counterclaims are uncontested, have been acknowledged by us, or have been reduced to an enforceable judgment. In addition, the assertion of a right of retention – notwithstanding the foregoing limitation – is permissible only with respect to those counterclaims that originate from the same contractual relationship.
- (6) We are entitled to carry out or provide outstanding delivery or services only against advance payment or the posting of security if, following conclusion of the contract, circumstances become known that are capable of materially reducing the customer's creditworthiness and that jeopardize the payment of our open receivables by the customer under the respective contractual relationship (including under other individual orders for which the same framework contract applies).
- (7) Pricing is based on the material and energy prices known on the offer date, taxes, freight rates, wages and salaries, and other production costs. Where more than four months have elapsed between contract conclusion and delivery and the costs for materials and energy, taxes, freight rates, wages and salaries, and other production costs or statutory charges have increased in the period between contract conclusion and delivery for reasons for which we are not responsible, we are entitled to increase the agreed price under disclosure of the affected parts of the original calculation as well as specific description of the increased cost factors in accordance with the extent of the cost increase and to charge the increased price at the time of delivery.

Section 4: Delivery period

- (1) Indicated delivery periods are non-binding, unless they have been expressly agreed upon as binding. Where delivery periods hereunder are binding, they begin to run, at the earliest, on the date of the binding order confirmation. An agreed delivery deadline first begins to run once all details for carrying out the delivery and the service have been clarified, particularly the customer has furnished the information, documents and materials to be procured by it. If advance payment or down payment has been agreed upon, the start of delivery period requires that the customer has paid the agreed price or made the agreed down payment. Controlling for the compliance with delivery deadlines and dates is the time of handover to the shipper, freight forwarder or other third party engaged for transport, or, where this cannot occur for reasons for which we are not responsible, the notice of readiness for shipment.
- (2) The delivery deadline is extended upon the occurrence of unforeseen obstacles that are outside of our control by the duration of the impediment. This applies in particular to cases of force majeure. Omitted acts of cooperation as well as the

customer's requests for modification or supplementation of the delivery/service likewise result in a postponement of dates or the extension of deadlines by the duration of the delay.

- (3) Compliance with our delivery obligation presupposes the timely and proper satisfaction of the customer's obligations. The defense of unperformed contract remains reserved.
- (4) Delivery and service delays due to force majeure or as a result of event that make delivery substantially more difficult or impossible for us – this also includes difficulties in procuring materials that occur after the fact, business disruptions, strikes, lock-outs, staff shortages, transport shortages, pandemics, official directives, etc., including where they occur at our suppliers or their sub-suppliers – are not our responsibility, even in the case of bindingly agreed deadlines and dates. They entitle us to postpone the delivery or service by the duration of the impediment plus a reasonable ramp-up time or to withdraw from the contract in whole or in part on account of the still unfulfilled portion. In the alternative, where the ordered product is not available for the foregoing reasons despite timely scheduling, we are entitled to deliver, instead of the ordered product, a product that is equivalent in quality and price.

If the impediment lasts longer than three months, the customer is entitled, after setting a reasonable grace period, to withdraw from the contract with respect to the still unfulfilled portion.

- (5) We are at all time entitled to provide partial services and partial deliveries, unless a partial delivery or partial service is unreasonable for the customer or was excluded by contract.
- (6) If the customer is in default in acceptance, or if it culpably breaches other duties of cooperation, we are entitled to demand compensation of the damage suffered as a result, including any added expenses. More extensive claims or rights remain reserved.
- (7) If the requirements in subsection 6 are met, the risk of accidental loss or accidental deterioration of the purchased item or the work passes to the customer at the time at which it becomes in default in acceptance or in its obligations.
- (8) The customer's claims to compensation of damages due to default, particularly compensation of damages from delay, and to compensation of damages in lieu of performance pursuant to sections 280 and 281 BGB are excluded. This exclusion of liability does not apply to
 - a) loss of life, bodily injury or damage to health that is the result of a negligent breach of obligation by us or a willful or negligent breach of obligation by one of our statutory representatives or agents;
 - b) other damages that result from a grossly negligent breach of obligation by us or a willful or grossly negligent breach of obligation by one of our statutory representatives or agents;
 - c) mandatory liability elements under the German Product Liability Act (*Produkthaftungsgesetz*); and
 - d) the culpable breach – including through only simple negligence – of a material contractual obligation by us (in this case, however, the liability for compensation of damages in the case of simple negligence is limited to the foreseeable damage that typically occurs).
- (9) In the case of agreement on a draw-down deadline or a (non-binding) delivery deadline or delivery date, we are authorized in the event of fruitless demand that the seller take delivery of the goods to cancel or charge in whole or in part the amounts not drawn down. In such case, the invoice date is deemed to be the delivery date, and risk passes to the customer with issuance of the invoice.

Section 5: Transfer of risk – Packaging costs

- (1) INCOTERMS FCA Ellwangen apply to the transfer of risk.
- (2) The type of shipment and the packaging are subject to the seller's reasonably exercised discretion. Risk passes to the

customer, at the latest, upon handover of the object of delivery (whereby the start of the loading process is controlling) to the shipper, freight forwarder or other third party designated for carrying out the shipment, unless earlier transfer of risk results from Section 4 (6) and (7) or by law. This also applies where partial deliveries or services occur or where still other services have been taken on by us, e.g. shipment, delivery, assembly or setup. If shipment or handover is delayed as a result of a circumstance originating with the customer, risk passes to the customer on the date on which we are ready to ship and have notified the customer thereof. Storage costs after transfer of risk are for the account of the customer. In the case of storage by us, the storage costs amount to 0.15% of the invoice amount of the objects of delivery to be stored per full week. The assertion and proof of additional or lower storage costs remains reserved.

In the case of contracts to produce a work, risk passes to the customer, at the latest, upon inspection and acceptance, unless earlier transfer of risk results from Section 4 (6) and (7) or by law. This also applies where partial deliveries or services occur or where still other services have been taken on by us, e.g. shipment, delivery, assembly or setup.

- (3) Separate agreements apply to the return of packaging. Transport packaging is to be disposed of by the customer at its expense.
- (4) Where so desired by the customer, we will cover the delivery with transport insurance. The costs incurred for this are for the customer's account. Unless the customer has issued contrary instructions, we determine the transport method, transport route and transport insurance, without being responsible for whether the fastest or cheapest option was granted.

In the case of damage or loss of the objects of delivery during transport, the customer must immediately arrange with the transporter for an inspection.

Section 6: Liability for defects

- (1) The customer's claims for defects presuppose that it has properly met its responsibilities to inspect and object under section 377 of the German Commercial Code (HGB). In particular, the customer must give written notice of obvious defects without delay, but not later than four days after receipt of the delivery. Transport damages must be immediately indicated on the delivery note and notified to the shipper, freight forwarder or other third party designated for carrying out the shipment. Other defects that cannot be discovered by this deadline, including through careful examination, must be notified in writing promptly following discovery. Otherwise, delivered objects are deemed approved.
- (2) The warranty is excluded for damages that are incurred for the following reasons: inappropriate or improper use, defective assembly or commissioning by the customer or third parties, normal wear and tear, defective or negligent treatment, unsuitable operating resources, replacement materials, defective construction work, unsuitable building ground, chemical, electromagnetic or electrical influences, etc., other than where the foregoing circumstances are attributable to fault by us. If changes or maintenance work is improperly performed by the customer or third parties without our prior approval, liability is excluded for the consequences that result from this.

The warranty exists solely on the basis that delivered machinery and systems are used in so-called single-shift operation. We are not liable for defects that result from the fact that a delivered system or machine is used in multi-shift operation. The warranty for damages as a result of defective information provided by the ordering party at the time the order was issued, as a result of defective connection to supply networks, or as a result of operating errors or wrong or incomplete information by the customer, particularly with respect to use, size and technical requirements, as well as due to defective or incomplete design drawings from the customer is excluded.

If the customer did not follow the instructions concerning the treatment, maintenance and care of the object of delivery although it was reasonable to expect it to do so, the warranty is excluded. The same applies if spare parts other than our original spare parts or spare parts recommended by us in writing are installed in the object of delivery or if some other intervention is made to the object of delivery without our consent. The warranty does not cover normal wear and tear, particularly of wear parts and material contact parts.

- (3) If the purchased item has a defect, we are entitled, at our discretion, to provide a cure in the form of elimination of the defect or delivery of a new, defect-free item. In the case of elimination of defects or substitute delivery, we are obligated to bear all expenses necessary for the purpose of the cure, including transport, travel, labor, and materials costs, unless these increase as a result of the fact that the purchased item was brought to a location other than the place of performance. In the case of defects in components of other manufacturers that we cannot eliminate for license-related or factual reasons, we will assert our warranty claims against the manufacturers and suppliers for the account of the customer or assign these claims to the customer, at our discretion. In the case of such defects, warranty claims against us under the other requirements and in accordance with these General Terms and Conditions of Delivery exist only if court enforcement of the aforementioned claims against the manufacturer and supplier was unsuccessful or has no prospects for success, e.g. due to insolvency. Prescription of the customer's relevant warranty claims is suspended for the duration of the legal dispute. In addition, the parts replaced by us must be made available to us, and title to them vests in us.
- (4) The customer is entitled to rights to terminate the contract or reduce the purchase price in accordance with statutory provisions.
- (5) The customer's claims for compensation of damages due to defects, particularly for compensation of damages in lieu of performance pursuant to sections 280 and 281 BGB are excluded. This exclusion of liability does not apply to
 - (a) loss of life, bodily injury or damage to health that is the result of a negligent breach of duty by us or a willful or negligent breach of duty by one of our statutory representatives or agents;
 - (b) other damages that result from a grossly negligent breach of obligation by us or a willful or grossly negligent breach of obligation by one of our statutory representatives or agents;
 - (c) mandatory liability elements under the German Product Liability Act; and
 - (d) the culpable breach – including through only simple negligence – of a material contractual obligation by us on whose fulfillment the customer is entitled to rely to a particular extent (in this case, however, liability for compensation of damages in the case of simple negligence is limited to the foreseeable damage that typically occurs).
- (6) The prescription period for claims for defects (material and legal defects) amounts to 12 months, starting at the time of transfer of risk. The foregoing prescription period in the case of the delivery of machinery ends after 2,000 hours of operation if this point in time occurs prior to the end of 12 months from transfer of risk. The foregoing arrangements on prescription do not apply in the cases set forth in subsection 5, letters a) to d), or where a guarantee was given as to the characteristics of the object of delivery. In these cases, the statutory prescription period applies.
- (7) If the customer's notice of defects proves to be unjustified, it is obligated to reimburse us for all demonstrated expenses that are incurred as a result of the notice of defects through the inspection of the purported defect or the performance of the purported elimination.

Section 7: Liability

- (1) We are liable in the case of willful misconduct and gross negligence. In all other respects, liability is excluded. The particularly applies to liability due to production stoppage, lost interest claims or lost profit.
- (2) However, the foregoing limitation of liability does not apply to claims based on loss of life, bodily injury or damage to health.
- (3) In addition, the limitation of liability does not apply to the breach of those obligations whose fulfillment is essential for proper performance of the contract and on whose compliance the damaged party normally relies (known as "cardinal obligations") or to the breach of obligations for whose fulfillment we are liable on the basis of an agreed warranty. In the case of a breach of cardinal obligations as a result of simple negligence, however, our liability is limited to the damage typically foreseeable at the time of contract conclusion.
- (4) Our liability remains unaffected in those cases in which a limitation of liability is prohibited by law.

Section 8: Securing of retention of title

- (1) We reserve title to the purchased item until satisfaction of all claims under the business relationship between us and the customer, including future and contingent claims. In the event of conduct by the customer in breach of contract, particularly in the case of payment default, we are entitled to take back the purchased item. If we take back the purchased item, this constitutes termination of contract. After we take back the purchased item, we are authorized to sell it, and the sales proceeds are to be applied toward the customer's liabilities, less reasonable costs of sale.
- (2) The customer is obligated to treat the purchased item with care. In particular, it is obligated at its own expense to sufficiently insure the item at replacement cost against damages from fire, water, and theft. If maintenance and inspection work is necessary, the customer must perform same at its own expense.
- (3) The customer must give us prompt written notice of liens or other interventions by third parties so that we can bring a court action pursuant to section 771 of the German Code of Civil Procedure (ZPO). If the third party is not capable of reimbursing us for the court and out-of-court costs of a court action pursuant to section 771 ZPO, the customer is liable to us for the resulting loss.
- (4) The customer is entitled to resell the purchased item in the ordinary course of business. However, it hereby assigns to us, in the amount of the final invoiced amount (including VAT) of our claim, all claims owed to it by its customers or third parties from the resale, irrespective of whether the purchased item was resold with or without processing. The customer remains empowered to collect this claim even after the assignment. Our authority to collect the claim ourselves remains unaffected by this. However, we undertake to refrain from collecting the claim as long as the customer is meeting its payment obligations from the collected proceeds, does not become in default in payment, and, in particular, an application is not filed for the commencement of composition or insolvency proceedings or cessation of payments has not occurred. If however this is the case, then we may demand that the customer disclose to us the assigned claims and the parties owing them, provide all information necessary for collection, turn over the associated documents, and notify the parties owing the claims (third parties) of the assignment.
- (5) The processing or reconfiguration of the purchased item is in every case undertaken by the customer for us as manufacturer, without this resulting in obligations for us. If the purchased item is processed with other objects that do not belong to us, then we acquire co-title to the new item in the ratio that the value of the purchased item (final invoiced amount, including VAT) bears to the other processed objects at the time of processing. In

addition, the same arrangements apply to the item arising from processing as to the purchased item delivered subject to retention of title.

- (6) If the purchased item is inseparably intermixed with other objects that do not belong to us, then we acquire co-title to the new item in the ratio that the value of the purchased item (final invoiced amount, including VAT) bears to the other intermixed objects at the time of intermixture. If the intermixture occurs in such a way that the customer's item is to be considered the principal item, then it is deemed agreed that the customer assigns to us the pro-rata share of co-title. The customer holds the sole title or co-title arising thereby in safekeeping for us in accordance with the liability standards applicable to a prudent businessperson.
- (7) The customer also assigns to us the claims to the securing of our claims against it that arise against a third party through the connection of the purchased item with a parcel of real property.
- (8) At the customer's request, we undertake to release the collateral to which we are entitled to the extent that the realizable value of our collateral exceeds the claims being secured by more than 10%. We are responsible for choosing the collateral to be released.

Section 9: Special provisions for contracts to produce a work

- (1) The inspection and acceptance of the work is deemed to have taken place not later than upon commissioning by the customer. After completion of the work, we are entitled to notify the customer of completion and to demand that it proceed to inspection and acceptance, setting a deadline for doing so. If the customer does not respond by this deadline, inspection and acceptance is deemed to have taken place.

We are furthermore entitled to demand inspection and acceptance of the work at our place of business. A record of the inspection and acceptance procedure is to be prepared for this inspection and acceptance of the work. If, despite written demand, which must be sent seven days prior to the inspection and acceptance of the work, the customer does not take part in the inspection and acceptance procedure, it will be performed without its participation. In such case, the record of the inspection and acceptance procedure prepared by us is controlling. Unless within five business days the customer objects in writing to the record of the inspection and acceptance procedure that was sent to it and demands a second inspection and acceptance of the work, objections to the record of the inspection and acceptance procedure are excluded. Added costs result from non-participation by the customer on the date of the first inspection and acceptance of the work, particularly the costs of a second inspection and acceptance of the work, are for the account of the customer. The consequence of performance of the inspection and acceptance of the work is that our company's scope of delivery and service is fulfilled, with the exception of transport of the system.

- (2) When the system, machine or other work is delivered to the customer, it assumes responsibility in terms of safety as well as the obligation to protect the delivered objects. The customer is obligated to ensure the safety of the workplace at its establishment and the observance of existing safety rules, as well as the appropriate working conditions for our service personnel.
- (3) Unless agreed otherwise, the compensation for the work is to be paid as follows:
 - (a) 50% down payment following receipt of the order confirmation and sending of a down-payment invoice,
 - (b) 40% following receipt of our notice to the customer that the machine, system or other work is completed and ready for shipment and is available for inspection and acceptance of the work, as well as following receipt of the further down-payment invoice and
 - (c) the balance of 10% following inspection and acceptance

and receipt of the final invoice.

Invoices for repairs, spare parts and service are payable immediately without deduction.

Payments must be made not later 10 days following invoicing.

Section 10: General rules

- (1) The customer may not assign receivables and claims under this contract without our written consent.
- (2) Set-off by the customer or the assertion of a right of retention by the customer is excluded, other than where the customer's counterclaim has been reduced to an enforceable judgment or has been acknowledged by us.
- (3) We are entitled within the scope of the data protection act to store data relating to goods and payments transactions with the customer to the permissible extent.
- (4) Supplementations, modifications and termination of agreements made, including these General Business Terms and Conditions, require written form in order to be effective. The same applies to this written-form requirement.
- (5) If individual provisions of these Terms and Conditions should be ineffective, or if these Terms and Conditions should have a gap or omission, this is not to affect the validity of the other provisions. In the place of the ineffective provisions, or for the purpose of filling the gap or omission, an appropriate arrangement is to apply whose economic success – to the extent legally possible – most closely approximates that which the contacting parties had intended or, in keeping with the spirit and purpose of these Terms and Conditions, would have wanted had they considered the point.
- (6) If the customer is obligated to compensate damages in lieu of performance (e.g. due to non-fulfillment of a material contractual obligation, particularly concerning payment of the agreed purchase price/agreed compensation for the work after fruitless setting of a deadline), we may demand from our contracting partner, under retrieval of the object of delivery, lump-sum compensation of damages in the amount of 15% of the purchase price or the compensation for the work. Our contracting partner is at liberty to demonstrate that our damage is in fact lower. We reserve the ability to assert a higher claim to compensation of damages in accordance with statutory provisions.

Section 11: Place of jurisdiction – Place of performance – Choice of law

- (1) If the customer is a merchant, and provided that a derogating exclusive place of jurisdiction does not result from the law, our place of business is the exclusive place of jurisdiction. However, we are entitled to also bring suit against the customer before the court at its place of business.
- (2) Unless specified otherwise in the order confirmation, our place of business is the place of performance.
- (3) The substantive law of the Federal Republic of Germany applies exclusively to all legal relationships between the customer and us, under exclusion of the United Nations Convention on Contracts for the International Sale of Good and under exclusion of the rules of international private law.