

General Terms and Conditions of Business for the Precision Mechanics Trade as of 1 May 2021

§ 1 Validity of Terms and Conditions

The following General Terms and Conditions shall exclusively apply to the use in corporate business transactions. Contractor's deliveries, services and offers shall exclusively be performed under the following Terms and Conditions. Any counter-confirmations by Customer referring to his own General Terms and Conditions of Business or Conditions of Purchase shall be opposed herewith.

§ 2 Offers and Conclusion of Contracts

1. Any offers made in brochures, advertisements etc. – also with regard to prices - shall be non-binding and subject to confirmation. Contractor shall be bound to specifically prepared offers for 30 days from the date of the offer.
2. Any collateral agreements, modifications, amendments and/or other variations of these General Terms and Conditions shall only be valid if Contractor has given his consent to them. The requirement of written form shall be waived in the case of subsequent collateral agreements, modifications and amendments of the order.
3. Any information in Contractor's offers and/or order confirmations which is based on an obvious error, namely a spelling or calculation mistake, shall not be binding for Contractor. Instead, the obviously intended declaration shall apply.
4. Contractor's quotation documents, drawings, descriptions, samples and cost estimates may not be passed on, published, duplicated or made available in any other form to third parties without Contractor's consent. Upon request documents shall be returned without retaining copies.

§ 3 Prices, Price Changes

1. The prices include the statutory value added tax, which has to be listed as a separate item.
2. The prices shall be exclusive of freight and packaging costs.
3. If more than six months pass between the conclusion of the contract and the agreed and/or actual delivery date Contractor's prices valid at the time of delivery or provision shall apply. In the case of price increases by his upstream suppliers, increases in labour and transport costs or other unexpected cost increases, Contractor shall be entitled to request negotiations about the reassessment of prices.

§ 4 Delivery Periods

1. Delivery periods are subject to correct and punctual delivery by upstream suppliers unless a binding delivery deadline has been guaranteed in writing. If delays in delivery are to be expected Contractor shall inform Customer immediately after having gained knowledge of them.
2. If delivery or performance is delayed due to circumstances for which Contractor, his legal representative or vicarious agents are responsible liability shall be assumed according to the legal

provisions. In the case of slight negligence liability shall be limited to the foreseeable and typical damage. This principle shall in particular apply in cases of force majeure, strikes, lockouts, official orders by authorities etc., even if these obstructions occur at Contractor's suppliers or their sub-suppliers.

The grace period to be determined by Customer pursuant to the legal provisions in the case of a delay in performance shall be two weeks starting from the date on which Contractor receives notice of the grace period determined.

§ 5 Dispatch and Passing of Risk

1. The risk shall pass to Customer as soon as the consignment has been transferred to the person executing the transport or has left the premises of Contractor for shipment. If the dispatch is delayed or not effected at the request of Customer the risk shall pass to Customer at the time of the notification of readiness for dispatch.

2. Upon Customer's request deliveries shall be insured in his name and for his account.

§ 6 Claims based on Defects

1. If the services performed or the delivered goods are defective Contractor shall be entitled, at his option, to either supply a replacement or rectify the defect. Several rectifications – usually two – are admissible within a reasonable period.

2. In all cases the limitation period for Customer's right to assert claims based on defects shall be 12 months from the date of the passing of risk unless a longer limitation period is mandatorily required by law.

3. Obvious defects in works can only be claimed after their acceptance if Contractor is informed immediately, however, at the latest within two weeks after delivery. In other respects § 640 BGB [German Civil Code], Sect. 2, shall apply. Otherwise – in the case of hidden defects – Contractor must be informed in writing as soon as these defects are discovered in order to maintain Customer's claims based on defects (duty to notify pursuant to § 377 HGB [German Commercial Code]). The defective objects shall be made available for inspection by Contractor in the state in which they were at the time when the defect was noticed.

4. Insignificant reasonable deviations in the dimensions and designs – in particular in the event of repeat orders – shall not be deemed a cause for complaint, unless absolute compliance has been expressly agreed. Technical improvements and necessary technical modifications shall also be deemed as compliant with the contract if they are reasonable and do not constitute a deterioration in the fitness for use.

5. If Contractor's operating and maintenance instructions are not observed, products are modified, parts exchanged or consumables are used which do not comply with the original specifications, any warranty shall lapse, unless Customer can disprove a respective substantiated assertion that the defect has been caused by one of these circumstances.

6. Warranty for usual wear and tear shall be excluded.

7. If the rectification of defects within a reasonable period fails, Customer may, at his discretion, claim the reduction of the purchase price or rescission of the contract.

8. The above provisions in this Section shall not apply to the sale of used objects. These shall be supplied excluding any claims for defects.

9. If Contractor provides information to Customer about the use of the product exceeding his statutory and contractual obligations, he shall only be liable pursuant to § 7 if a special consideration has been agreed for such information.

§ 7 Limitation of liability

1. Any claims for damages from positive breach of obligation, negligence in contracting and tort, which are not simultaneously based on Contractor's breach of a principal contractual obligation to perform shall be excluded both against Contractor and his vicarious agents unless the damage has been caused by intent or gross negligence. This does not apply to claims for damages from errors in the contractually agreed suitability which are intended to secure Customer against the risk of consequential harm caused by defect. Statutory claims for damages with regard to the liability for defective products as well as any liability for damages from death, bodily injury or injury to health shall remain unaffected.

2. Precondition for this guarantee of warranty

- The first commissioning (cold / hot commissioning) must be performed by the company Terbrack Maschinenbau GmbH.
- The warranty period shall begin with the commissioning of the machine or at the latest 4 weeks after delivery.
- The proper operation of our technology.
- Natural wear and tear of machine parts shall be excluded from the warranty.
- Any damages caused by foreign objects or improper operation shall not be covered by Terbrack Maschinenbau GmbH.

§ 8 Reservation of Title

1. Contractor reserves the right in the title of the delivered goods (goods subject to the reservation of title) until all receivables are paid which Contractor is entitled to for any legal reason against Customer.

2. Customer shall be obliged to inform Contractor immediately in writing of any attachments of the goods subject to the reservation of title and to inform the pledgees of the reservation of title. Customer shall not be entitled to sell, give away, pledge or assign by way of security delivered goods subject to the reservation of title – except in the cases described in the paragraphs below.

3. If the goods are delivered for the business activities carried out by Customer the goods may be resold in the normal course of business. In this case Customer shall already assign to Contractor the receivables from the sale against his buyer. Contractor shall accept these assignments already now. If

the goods are resold on credit Customer, on his part, shall reserve the title in the goods against his buyer. Customer herewith assigns to Contractor all rights and claims from this reservation of title against his buyer.

4. Customer shall carry out any adaptation or processing of the goods subject to the reservation of title free of charge for Contractor. In the case of processing, combining, mixing or blending of the goods subject to the reservation of title with other goods not belonging to Contractor, Contractor shall be entitled to the co-ownership share in the new item in the proportion of the invoice value of the goods subject to the reservation of title to the other processed goods at the time of processing, combining, mixing or blending. If Customer acquires sole ownership in the new item, the contracting parties agree that Customer shall grant Contractor a co-ownership in the new item in the proportion of the invoice value to the processed, combined, mixed or blended goods subject to the reservation of title and shall keep these goods free of charge for the supplier. If goods subject to the reservation of title are resold together with other goods, irrespective of whether they have been processed, combined, mixed or blended, the assignment agreed in paragraph 3 above shall only apply up to the amount of the invoice value of the goods subject to the reservation of title which have been resold together with other goods. Contractor shall already accept these assignments also in this respect.

5. If goods subject to the reservation of title are installed as an integral part into the premises of a third party by Customer or on his behalf, Customer shall already now assign to Contractor any claims for remuneration together with all ancillary rights, including the granting of a claim-securing mortgage, against the third party or the party concerned. Contractor shall already now accept these assignments.

6. If goods subject to the reservation of title are installed as integral parts into the Customer's premises, Customer shall already now assign to Contractor the receivables arising from a sale of the property or from rights in the real property, including all ancillary rights. Contractor shall already now accept these assignments.

7. If the value of the securities provided to Contractor according to the above provisions exceeds the value of the Contractor's receivables – not just temporarily – by more than 20 per cent in total, Contractor shall be obliged to release respective securities of his choice upon Customer's request.

8. In the event of breach of contract by Customer, including but not limited to default in payment, Contractor shall be entitled to demand back the delivered goods after sending a reminder and to rescind the contract and Customer shall be obliged to hand over the goods. If Customer has fulfilled the contract Contractor shall return the goods.

§ 9 Payment

1. Unless otherwise agreed, Contractor's invoices shall be payable upon receipt of invoice without deduction. Goods below the a total value of € 500.00 shall be supplied by Contractor cash on delivery plus freight and packaging.

2. Contractor expressly reserves the right to reject cheques or bills of exchange. They shall only be accepted on account of payment. Discount and bill charges shall be at the expense of Customer and are due immediately.

3. In the event Contractor becomes aware of circumstances which call Customer's creditworthiness into question, particularly if a cheque is not cashed or payments are discontinued, Contractor shall

be entitled to demand the immediate payment of the total remaining debt, even if he has accepted cheques before. Contractor shall also be entitled to demand advance payments or securities.

4. If Customer finally ceases payment and/or insolvency proceedings against his assets are instigated, Contractor shall also be entitled to rescind parts of the contract not fulfilled yet.

5. Notwithstanding any deviating clause by Customer, Contractor shall be entitled to first offset Customer's incoming payments against older debts. Contractor shall inform Customer about this way of crediting. If costs and interests have already arisen, Contractor shall be entitled to offset the payment first against the costs, then against the interests and finally against the primary debt.

6. If Customer is in default of payment, Contractor shall be entitled to charge the currently applicable statutory default interest. Contractor reserves the right to claim further damages caused by default. In the above cases Customer has the right to furnish proof of lesser damage, which would then be decisive.

7. An offset on the part of Customer is excluded unless the counterclaims have been declared by final judgment or are undisputed by Contractor.

§ 10 Force Majeure

1. Terbrack Maschinenbau GmbH shall not be liable for the non-performance of contractual obligations if this non-performance is due to an impediment beyond the control of Contractor (e. g. non-delivery of supply materials without their fault, natural disasters, pandemic, measures taken by public authorities). Terbrack Maschinenbau GmbH shall in this case be entitled to reasonably extend the agreed delivery period or to fully or partially rescind the contract. In such a case Terbrack Maschinenbau GmbH shall immediately inform its contractual partner of the non-availability and refund the contractual partners for any payments without consideration.

Claims for damages by the contractual partner shall be excluded in such cases.

2. In particular, force majeure is an external event that can be attributed to elementary forces of nature or actions of third parties that are unforeseeable by human judgement and experiences and cannot be prevented with economically bearable means even with the utmost care.

3. Furthermore, claims for damages by the contractual partner shall be excluded if compliance with the contract is (fully or partially) not possible because of operational breakdowns which can be attributed to force majeure – strikes or lockouts – entering into force of ordinances by authorities – lack of raw material – disruptions in the transport of the goods for which Terbrack Maschinenbau GmbH cannot be held liable.

§ 11 Applicable Law, Venue, Partial Invalidity

1. These General Terms and Conditions and any and all legal relations between Contractor and Customer shall be governed by the law of the Federal Republic of Germany with the exception of the regulation of the CISG.

2. If Customer is a business person within the meaning of the Handelsgesetzbuch [German Commercial Code], a legal person under public law or a special fund under public law, Contractor's place of business shall be the exclusive venue for any disputes arising directly or indirectly from the contractual relationship.

3. If any provision of these General Terms and Conditions is or becomes invalid the validity of the other provisions and agreements between Contractor and Customer shall remain unaffected.